DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1982

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

FIRST SESSION

ON

H.R. 4035

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1982, AND FOR OTHER PURPOSES

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Advisory Council on Historic Preservation
Department of Energy
Department of Education
Department of the Interior
Holocaust Memorial Council
National Capital Planning Commission
Navajo and Hopi Indian Relocation Commission
Nondepartmental witnesses
Woodrow Wilson International Center for Scholars

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE
75-548 O WASHINGTON : 1981

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

S181-40

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1982

THURSDAY, FEBRUARY 19, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 9 a.m., in room 1224, Everett McKinley Dirksen Senate Office Building, Linda Richardson presiding.

Present: Ms. Richardson, Senator Burdick, and Mr. Cushing.

NONDEPARTMENTAL WITNESSES

Ms. RICHARDSON. Good morning. This is the time scheduled to conduct subcommittee staff sessions for nongovernmental witnesses who wish to appear in connection with the programs administered by the Bureau of Indian Affairs, the Indian Health Service, and the Office of Indian Education.

This is the second year the subcommittee has conducted these hearings at staff level.

Senators who are subcommittee members will participate from time to time, as their schedule allows.

Let me assure you that your message will be communicated to the subcommittee and it will receive every bit as much consideration as if this were a regular hearing.

With so many witnesses scheduled, it is essential that all witnesses keep their remarks within the time allowed, if everyone is to be given a fair opportunity to be heard. It is not necessary to read your prepared statement as the complete testimony will be printed in full in the record.

Please use this time to discuss the more important aspects of your statement.

When your name is called please give me three copies of your statement and take a seat at the witness table.

The first witness will be Mr. Steve Cadue representing the Kickapoo Tribe of Kansas. Is he here?

[No response.]

Ms. RICHARDSON. Rose Hatfield and Dennis Magee of the Indian Health Council, Inc.

STATEMENTS OF:
DENNIS MAGEE, INDIAN HEALTH COUNCIL, INC.
ADELAIDE PRESLEY, RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC.

Mr. MAGEE. I am Dennis Magee, the administrator of Indian Health Council, Inc., in San Diego. To my left is Adelaide Presley.

We came in jointly to save a little bit of time because we are an adjacent program in the southernmost part of the State of California.

Ms. Presley's program covers San Bernardino and Riverside Counties. My program covers San Diego County.

I would like to thank, first of all, the committee for responding to our request last year in favor of adding additional funding for our programs. There are 28 reservations in 3 counties now in southern California and they came through continued and increased program funding.

What we are here primarily today for is two basic reasons. Because of the increase in funding that we received for programing, we were able to add additional staff, doctors, dentists, people in the health careers area to our program. We are very, very limited in working space.

And because we are in a rural setting and all the reservations are in rural areas there are no office spaces available.

So what we are here for basically, No. 1, is for an increase, an add-on to the appropriation for approximately $475,000 for the San Diego Indian Health Council, Inc., for building additions, which would mean the actual building and some equipment for it. An additional $248,000 for the Riverside program for additional building and $80,000 for equipment for that.

I think one of the things that I would like to enlighten you on is the fact that both of our programs, just about all of the programs in the State of California, are community based. They are being governed and operated by the Indians themselves.

The U.S. Indian Health Service is not presently providing direct health care services for the State of California. They are using U.S. Indian Health Service dollars. As a result of that the Indians in the State were able to get together and organize and form community based nonprofit corporations to develop their own health care delivery systems.

As in both of our cases, the present facilities that we do have, have been put up through the local fund raising, anywhere we could get money.

In the case of my area down in San Diego it took 4 years to put up $350,000 for 5,000 square foot facilities through local fund raising. That took a lot of time and effort on the part of ourselves down there and the planning and implementing of this building procedure.

The same case happened in Riverside where Ms. Presley is from, where they had to use community resources.

Because of proposition 13 in California and because of tax cuts that are coming up nationally, as a result obviously of what we heard last night, it is really going to be tough for not only Indians to rely on local resources but everybody else is going to be doing the same.

In similar instances, such as United Way in the various areas all over the country, it is going to be very, very difficult for us to approach and reapproach the local communities and to try to raise additional funding for additional building.

That's the primary reason why we are very, very concerned about this.

Because of the additional funding that we had, we do and have improved our personnel for the services that we were providing no space. In my example, in the facility that we have now we have three dental operatories or chairs. We have two dentists and a hygienist working in those three rooms. Ideally, one dentist should be able to operate very efficiently and effectively in three rooms, transferring from one chair to the other the three different patients.

So, as a result, we are really stuck in our building now with 30 good personnel and no working space.

Ms. RICHARDSON. Let me interrupt you for a second.

For about 4 years now both the House and Senate have funded construction of both hospitals and clinics for the Indian Health Service on the basis of a priority list solely, rather than by add-ons.

Have you been in touch with Indian Health Service? Have they come out to see if you will be included on that list?

Mr. MAGEE. What we would like to do is, because of the result of the National Indian Health plan that was presented by the Indian Health Service, the State of California is not on the priority list for facilities construction funding, and we are very, very concerned about that.

If there is any possible assistance coming from this committee and the House committee to direct the U.S. Indian Health Service to put the State of California on the priority list for construction funds—I think Adelaide would like to say something real fast here.

Ms. PRESLEY. California, as you may or may not know, has been systematically left out of the Indian Health Service budgets to any significant degree. There was a lawsuit filed about 5 years ago, and we will be testifying later today that it was successful, and it proved that there was inequitable funding allocation coming into the State of California.

The Indian Health Service has never built any facilities in California. They have still not even really looked at the facilities needed in California.

Ms. RICHARDSON. A couple of years ago we did try to do something with Fort MacArthur, as I recall.

Ms. PRESLEY. Right. This basically just beefed up our clinical direct services and allowed us to hire more professional people to provide health services. As a result of that we were asking, as an expansion, to really maximize their capabilities.

PREPARED STATEMENT

Ms. RICHARDSON. The committee also requested the General Accounting Office to do an analysis of the *Rincon* decision. They are out in the field now. Their work will be in California. So we should be getting some more information on that soon.

Thank you very much.

Ms. PRESLEY. Thank you.

[The statement follows:]

Statement of the Indian Health Council, Inc.

This testimony is submitted to the Appropriations Sub-Committee on Interior and Related Agencies jointly by the Boards of Directors of Riverside-San Bernardino County Indian Health, Inc. (hereinafter R-SBCIH) and Indian Health Council, Inc. (hereinafter IHC) and is presented by J. Patrick Patencio, Chairman of the Board of R-SBCIH; Adelaide Presley, Executive Director of R-SBCIH; and Dennis Magee, Program Administrator of IHC. Both health programs are tribally-controlled and Indian operated which together serve more than 15,300 Indians residing on or near twenty-seven (27) Indian reservations in Southern California through contracts under P.L. 93-638 with the Indian Health Service (IHS). Each group is appearing to request that funds be added to the IHS budget to expand their current ambulatory care facilities to allow current staff members and program needs to be accomodated. The main facility of R-SBCIH presently requires an addition of 3,100 square feet of space at a cost of approximately $248,000 for construction and $80,000 for equipment. Similarly, the main IHC facility on the Rincon Indian Reservation requires a 4,000 square foot expansion which will cost $375,000 to construct and $100,000 to equip. In addition, each group requests that funding be added specifically to bring their unmet needs to the 60% level. At present, 80% of their health services needs are unmet. To bring them to the point where only 60% of their need would be unmet would require addition of $3.4 million based on 1979 IHS figures.

These two programs find it necessary to come to this Committee for assistance because the Indian Health Services does not presently operate any health care facilities for the Indians in their service areas, nor are they aware of any IHS plans to channel any facilities money to the area they serve. Since the termination era of the mid-1950's when all federal health services for Indians were withdrawn from California, the Indian Health Service has done little to meet the health care needs of California Indians. Nor has IHS constructed or operated any facilities in California (with the exception of a Bureau of Indian Affairs Boarding School clinic and a tiny hospital at the very southeastern corner of California which services Indians living mainly in Arizona). Of greatest concern to these programs is the fact that IHS has no plans to construct or assist with the expansion of the Indian-operated facilities in California, all of which were constructed originally with no assistance from IHS. When the facilities priority list was established by IHS, the needs of California Indians were never even considered.

Last year, after we testified about these same problems, IHS made a whirlwind tour of the state of California in approximately two days and on the basis of only a brief stop at some of the already existing facilities determined that no new facilities were needed in California. This finding was in absolute contradition to the figures IHS placed in the IHS National Plan for FY 1981-1984 which showed a facilities need for California of more than $66 million dollars. Perhaps the biggest problem with the quick survey which was made last April was that it made an assessment of needs based on our level of funding and staffing in 1979 at which time less than 10% of our health care funding needs were being met. With the Equity Fund established in FY 1981, our funding has nearly doubled and our staff and need for added space for our programs has grown accordingly. Thus, the assessment which IHS completed seriously understates our needs.

In addition, we are here to request that the Appropriations Sub-Committee continue the concept of the Equity Fund this year but at a figure considerably higher than the $8.198 million which we understand that IHS is planning to request. We believe that the federal government has a trust responsibility to provide health care to the Indian people based on its course of dealings with us through history. This duty is not met by providing Indians in California with a mere 20% of the health services which they need. And, the fact that IHS has breached its legal obligations to the California Indians is well documented in the case of Rincon Band of Mission Indians et al. v. Harris et al., 618 F.2d 569 (9th Cir., 1980). To bring our two health programs up to the point where only 60% of our needs would be unmet, would require an added $3.4 million for health services funding. In regard to this problem, we support and incorporate by reference the testimony of the Rincon Band of Mission Indians which is also being presented today.

Because of the historical situation in California, our requests for funding for health care and health facilities are even more urgent than those of other areas which have been receiving services from IHS for many years. The only health care directed to the Indian people in our areas is provided through our two health programs, and our programs are suffering from a severe shortage of space to carry out even those limited activities for which we are currently funded. It is only in the last two years that we have even been able to begin to deliver any significant amounts of service because our funding levels before that time were minimal.

RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC.

Request:	Facility expansion:	$284,000
	Equipment	80,000
	Equity Fund:	2,000,000

Riverside-San Bernardino County Indian Health, Inc. serves 11 Indian reservations in the rural and remote portions of Riverside and San Bernardino Counties in Southern California. As a result of the Equity Funding provided by Congress for FY 1981, the program will be able

to meet nearly 20% of the needs of its service population. However, more than 80% of the health service needs of the Indians in its area will remain unmet. Despite the severe underfunding of the program, it recorded 31,678 out-patient visits last year. The program currently operates out-patient facilities on the Morongo Reservation, the Torres-Martinez Reservation, and the Soboba Reservation, as well as a dental clinic on the Fort Mojave Reservation which is 250 miles from its main facility. A brief description of the program is attached hereto as Exhibit A.

The main facility for the R-SBCIH program is located on the Morongo Indian Reservation in a 20-year-old, 4,012 square foot facility. According to a 1980 IHS report, this facility suffers from "severe over-crowding" and is not accessible to the handicapped. Although our Tribal Specific Health Plan shows a need for 7,900 square feet of additional space, we are requesting funds for a 3,100 square foot expansion at this time. This space is necessary to accomodate R-SBCIH's 41 current staff members and to accomodate the recent growth of our program, consistent with our Tribal Specific Health Plan.

It should be noted, however, that in its National Plan for FY 1981-1984 IHS itself has identified the need for a replacement health center for our Morongo facility at a cost of $8.8 million. We believe that it is more realistic and economical to spend the $248,000 we are requesting to expand and renovate our facility in order to meet our current needs.

The funds we are requesting would be used to expand and renovate our current ambulatory care clinic as well as to equip it properly. The expanded facility would allow us to add: (1) Four MEDICAL EXAM ROOMS to allow the currently employed doctors to maximize their service delivery capabilities. (2) A MEDICAL LABORATORY to replace the current inadequate one. (3) RADIOLOGICAL FACILITY including x-ray room, control booth, dark room, etc. (4) A NURSING STATION. (5) MEDICAL RECORDS SPACE and MEDICAL STORAGE SPACE, both of which are presently inadequate. (6) FOUR DENTAL OPERATORIES to allow us to properly utilize our dental staff. (7) An expanded DENTAL LAB. (8) OFFICES for our DOCTORS and DENTISTS. (9) Space for our new BEHAVIORAL HEALTH PROGRAM which includes our alcoholism program. The above needs are the very most urgent at the present time.

The Equity health care funds would be used to implement our Tribal Specific Health Plan. And, the equipment funds requested would be used to purchase the equipment for the new facility.

INDIAN HEALTH COUNCIL, INC.

Request:	Facility expansion:	$375,000
	Equipment:	100,000
	Equity Fund:	1,420,800

The current Indian Health Council 3,700 square foot facility on the Rincon Indian Reservation was constructed entirely through donations from individuals and organizations obtained through four years of concentrated fund raising. At present, though, IHC needs to expand its ambulatory care facility far sooner than its own fund-raising efforts would permit. The program serves 5,904 Indian people living on or near 17 Indian reservations in rural San Diego County. Similar to R-SBCIH, 80% of the needs of our service population are unmet at present. However, with the funding to meet 20% of our needs, we operate our original facility on the Rincon Indian Reservation, a new satellite facility on the Sycuan Indian Reservation, and we are in the process of opening a satellite facility on the Santa Ysabel Reservation. A brief description of the program is attached hereto as Exhibit B.

The main facility of the IHC program is located on the Rincon Indian Reservation and is in severe need of expansion to accomodate our present staffing level. At present we are requesting funding to build and equip a 5,000 foot expansion of our current facility. Although the IHS National Plan identified a need for $5.75 million for modernization for our health center and although the IHS 1980 California facility report identified a need for 6,000 additional square feet based on 1979 funding levels, we believe that it presently is most sensible and realistic to merely expand our present facility by 5,000 square feet at the cost of $375,000.

We need the additional space to provide sufficient room for the following needs identified by our Tribal Specific Health Plan: (1) Three additional DENTAL OPERATORIES to efficiently utilize our dental staff. (2) AUDIOLOGY TESTING facilities. (3) Space for our DENTAL HEALTH PROGRAM for which we currently do not have any room whatsoever. (4) Space for a SOCIAL SERVICE and FAMILY COUNSELING program. (5) COMMUNITY HEALTH PROGRAM offices. (6) Space for the OPTOMETRY program. (7) SUBSTANCE ABUSE PROGRAM space is needed for counseling and office purposes. (8) ADMINISTRATION space. (9) STORAGE space for supplies is desperately needed to accomodate the growth which our program has undergone in the last few years. All of these needs are currently being experienced by IHC due to the fact that the program has outgrown its current facility. Without sufficient work space, we are presently unable to utilize the full potential of our staff members and our funding to maximize services to the Indian community.

The Equity Health Care Funds which we are requesting would be used to implement our tribal specific health plan to the point where 60% of our needs would be unmet. The decrease from 80% unmet need to 60% unmet need would make a significant difference in the scope of health care services which we would be able to offer to the Indians in San Diego County.

In conclusion, the Boards of Directors of R-SBCIH and IHC urge this Committee to fill the immediate needs of our two health programs by providing funds in FY 1982 to expand and equip our existing ambulatory care facilities as well as to increase funding to the point where only 60% of our needs will be unmet.

RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC.

Riverside-San Bernardino County Indian Health, Inc. provides comprehensive out-patient health care for eleven Indian Reservations in Southern California. Stretching almost the entire width of California from the Santa Ana Mountains to the Arizona Border, the area encompasses Riverside and San Bernardino Counties (the largest county in the United States) and some 27,403 square miles. The area is primarily rural with vast expanses of mountains and deserts. There are wide climatic variations in the area producing significant flooding, ice and mudslides making travel difficult and hazardous in winter and extremely high temperatures in summer months averaging 110° in the low desert areas.

Riverside-San Bernardino County Indian Health, Inc. a non-profit Native American consumer controlled and managed health program was established in 1968. The Program initially began with two reservations as one of nine demonstration health projects in the State of California following a State Task Force Investigation, which found "deplorable" health conditions, resulting from the withdrawal of Federal services from California in the 1950's (which has since been repudiated).

Initially housed in an abandoned 1800's jailhouse at the Morongo Indian Reservation, the staff of two Community Outreach Workers has grown to a staff of 48 today with the main Health Center located on the Morongo Reservation, Satellite Clinics at the Soboba and Torres-Martinez Reservations and a Dental Clinic on the Fort Mojave Reservation. A total of 31,678 out-patient visits were recorded in Calendar Year 1980, comprised of medical, dental, optical, mental health, nutrition and outreach health services.

The medical facilities at Morongo were built by the Indian people on weekends with donated materials from interested friends and civic organizations from Torrance, California. Other program facilities were constructed by the respective tribes utilizing a combination of tribal funds, volunteer labor and EDA grants.

The program currently operates under a P.L. 93-638 Contract directly with Indian Health Service, as well as the State of California and other funding sources. The area has been declared a health manpower shortage area and two physicians and two dentists have been assigned to the program by National Health Service Corps.

EXHIBIT A

INDIAN HEALTH COUNCIL, INC. was incorporated in 1970 as a non-profit, Indian controlled program with the primary responsibility of providing health services to 17 Indian reservations in San Diego County. The main health center is presently housed in a 3,700 square foot medical-dental outpatient facility, that was completed in 1976 after four years of local fund raising for construction and equipment. Contributions came from civic clubs, church groups, corporate donations, special fund raisers, individuals, small foundations, schools and special benefits sponsored by the San Diego Chargers professional football team. The U.S. military as well as local Indians donated labor and much of the material was contributed to complete the fully equipped $300,000 health center In addition, IHC has two (2) 3000 square feet satelite facilities providing health care in the more remote areas of San Diego County.

The program presently employs two (2) doctors, three (3) dentists, two (2) dental hygienists, three (3) nurse practioners and two 2 R.N.'s. Contracts have been negotiated with two part-time optometrists to provide desperately needed eye care, and an Emergency Medical Service (Ambulance) 24 hours a day.

Due to limited funds, geographic isolation, and hazardous road conditions, the health center was able to serve just a portion of the nearly 5,904 Indians residing in this service area which the U.S. Indian Health Service has determined as the target population. Utilizing a small fraction of the actual needed funding the program managed to serve about 20% of the people who are in desperate need of adequate health care.

The Indian Health Service provides funds to employ 47 staff members who, in addition to volunteer help, provide basic ambulatory care as well as social services and transportation.

With additional space, the health program will be able to provide badly needed services in the areas of alcoholism, mental health, drug abuse, audiology, optometry, and specialty care. In addition, we will be able to provide on-site training in Indian health careers for local Indian students.

Ms. RICHARDSON. Is Mr. Cadue here yet?
[No response.]
Ms. RICHARDSON. All right.
The Rincon Band of Mission Indians.

STATEMENT OF BARBARA E. KARSHMER, ATTORNEY FOR RINCON BAND OF MISSION INDIANS

ACCOMPANIED BY:
TIM WILLIAMS, CHAIRMAN, CALIFORNIA RURAL INDIAN HEALTH BOARD
PAUL CHAVEZ, CHAIRMAN, BISHOP PAIUTE TRIBE

Ms. KARSHMER. Good morning, Ms. Richardson. My name is Barbara Karshmer. I am the attorney for the Rincon Band of Mission Indians.

To my left with me, in support of my testimony, is Mr. Tim Williams, on the far left, the chairman of the California Rural Indian Health Board. To my immediate left is Mr. Paul Chavez, the chairman of the Bishop Paiute Tribe. On my right is Ms. Presley whose program you heard about and who also supports me.

First I would like to thank you and I would like to express our appreciation to the committee for the 1981 equity funding that the committee added in response to the *Rincon* lawsuit.

I would like to briefly explain that lawsuit to you and explain the final decision that was handed down by the Ninth Circuit Court of Appeals last spring.

The lawsuit was brought by the Rincon Band of Mission on behalf of all Indians in the State of California to force the Indian Health Service to provide the same level of health funding to Indians in California as it provides for Indians elsewhere in the United States.

During the termination era of the 1950's the Indian Health Service removed all health services from the California area. When the termination era was repudiated during the 1960's IHS ignored a mandate to reinstate services for California Indians.

It was because of the IHS figures for California that the lawsuit was brought. IHS's own testimony in the case and the findings of the court that 10 percent of the total IHS service population resided on or near reservations in California. But a negligible portion of IHS resources were devoted to California. Roughly 1 percent of the total IHS budget. And there were no facilities planned at any point for California.

The Federal district court found that IHS had unconstitutionally discriminated against the Indians in California.

IHS appealed this decision to the court of appeals. The Court of Appeals for the Ninth Circuit upheld the district court's decision in favor of the Indians of California and found that IHS had breached its legal obligations to the Indians in California by not providing them with the same level of services as IHS provides to Indians elsewhere in the United States.

The court reviewed the entire IHS allocation system and found that it was not rational and it was not aimed at achieving an equitable distribution of funds.

I believe you will be hearing today and have begun to hear the needs in California are extremely severe. The equity fund that was established

last year brought California to the point now where only 80 percent of its needs remain unmet. So only 20 percent of the needs are being met at present, if that is any indication.

If you look at the data that is contained in it area by area, in all areas IHS is meeting an average of 46 percent of the needs. In California, IHS is meeting now because of the committee's actions last year 20 percent of the needs.

So California is receiving less than half of what the other areas are receiving.

So the question becomes, what has IHS done about the situation now that the court has ordered it to adopt a program to provide services in California that are comparable to the services elsewhere?

In your committee report last year the committee established the equity fund and said it was only to soften the impact of the *Rincon* lawsuit and that IHS was expected to develop and apply rational criteria to the allocation of its resources.

IHS has done nothing about changing its resource allocations. It has once again shifted the resonsbility back to Congress and said that it will simply use the equity fund if and when money is appropriated to relieve the problems in California. It has no plans to comply with your instructions to develop a rational allocation system.

We are aware that this is not the ideal time to be coming to Congress to ask for money. But the Indians of California have been suffering from a total lack of services for 25 years.

Now that the Indians of California have a legal determination that IHS breached its legal duty to them, we are once again being told by IHS that IHS will continue to violate the rights of California Indians until more funding is added. Therefore, we are requesting specifically that the committee add $10.6 million of funding for California Indians only. This would bring California up to the point where 40 percent of the needs will be met by IHS as opposed to the average of 46 percent elsewhere. It would closely approximate the level of services that are being provided elsewhere.

We would also request your assistance—and from what you said earlier, I guess the GAO will be looking into it in seeing that IHS does change its allocation system. There has been a repeated failure over the last 2 to 3 years for IHS to do anything. And we are concerned about that.

We would also like to request your assistance in seeing that California is placed on the priority list for facility funding. As Mr. Magee testified, California was never considered for inclusion.

Ms. RICHARDSON. Do you know if there is any specific reason for that?

Ms. KARSHMER. The only reason is that IHS never considered that it had a responsibility.

Ms. RICHARDSON. Even after the *Rincon* decision they still are looking only at services and not at the facilities?

Ms. KARSHMER. Basically, in the national plan they identified the need for 68 million dollars' worth of facilities for California. IHS itself went through the state and determined that these were the needs when it compiled its national plan last year when Riverside and the Indian

Health Council requested facilities money. IHS went through the State in 2 days, stopped at some of the plants for an hour or two and decided that $68 million was not needed but $5 million was needed.

Ms. RICHARDSON. I understood that there were some VA hospitals in the State that were severely underutilized. Has any thought been given to a combined facility?

Ms. KARSHMER. I would say that the problem is the VA hospitals are not located near Indian reservations. There hasn't been any request for hospitals to be added in California. No other programs are interested in that at this point. They may be interested in ambulatory care facilities. There is a severe need for them.

Ms. RICHARDSON. Thank you very much.

PREPARED STATEMENTS

Ms. KARSHMER. Thank you. We appreciate the committee's further interest in the situation of the Indians in California.

[The statements follow:]

Statement of the Toiyabe Indian Health Project

The Toiyabe Indian Health Project is the equivalent of an Indian Health Service, Service Unit, except that we, a consortium of six federally recognized Indian tribal governments, fully control the delivery of health services to our people. In-spite-of our significant progress, our people are in great need of health services. We are scattered over the three rural isolated counties on the eastern slope of California. Because we are the only health care available, we also serve the non-Indian people.

First, that California Indians receive an inequitable portion of national Indian Health Service funding. Based on the famous Rincon Lawsuit which was won against the Indian Health Service, last year's Congress demanded that the Indian Health Service implement a more equitable allocation model and to correct the drastic underfunding of California Indians. This Congressional demand was made regardless of appropriation levels. In FY 1980, some increased funds have begun to filter into California. The amounts are inadequate and still do not bring California up to an equitable level with other states. Therefore, I ask that Congress mandate the Indian Health Service to bring California up to an equitable level in FY 1982. Ms. Karshmer, the attorney who won the case, is also here to testify and will go into more detail.

Secondly, I ask that the government not cut health funding to Indian people. Our record at Toiyabe: 18,000 medical visits in 1980 and 3,500 dental visits in 1980; the 1979 cost per patient visit of $54 for medical and $37 per dental visit stand on their own. Our 1980 costs per patient, in-spite-of inflation, which will be 10% lower. Our fine medical and wellness program have reduced the number of hospital days and further save the government and local hospital costs. As you well know, hospital costs are the greatest cause of health inflations and take the greatest share of the health dollar. I ask that you save overall governmental health dollar by continuing to support and expand Indian health clinics.

Statement of the Rincon Band of Mission Indians

The following testimony is presented by Edward T. Arviso, Chairman of the Rincon Band of Mission Indians and Barbara E. Karshmer, Attorney for the Rincon Band. The Rincon Band of Mission Indians was a plaintiff in the case of Rincon Band of Mission Indians et al. v. Harris et al., 516 F.2d 597 (9th Cir., 1980), a class action brought by the Rincon Band of Mission Indians and several individuals on behalf of all Indians in the state of California to challenge the failure of the Indian Health Service to provide California Indians with the same level of services as it provides for Indians elsewhere in the United States. A copy of the final decision in that case is attached hereto. The Rincon Band submits this testimony in order to bring this Committee up to date on the developments in the case since the Rincon Band testified last year. It should be noted that since the Rincon Band last testified before this Committee, the United States Court of Appeals for the Ninth Circuit upheld the federal district court's decision in favor of the Indians of California and found that Indian Health Service has breached its legal duty to them by not providing them with the same level of services as are provided to Indians elsewhere in this country. The Band is also here to ask the Committee to provide $10.6 million in Equity Funds specifically for California in 1982 to assist Indian Health Service in meeting its legal obligation to the California Indians arising from that case.

In reviewing the Rincon case, both the Federal District Court and the U.S. Court of Appeals invalidated the entire national Indian Health Service system for allocating its funds, both for reservation and urban Indians. Based on its review of the law and the facts, the Court of Appeals found that the legal obligations of Indian Health Service "are not satisfied by either the Resource Allocation Criteria or the Indian Health Service's internal priority system." The Court went on to cite with approval the District Court's finding that the Resource Allocation Criteria (RAC) used by Indian Health Service is "no more than a bureaucratic charade with respect to all Indian Health Service funds in general, and California Indians in particular. The Court of Appeals also stated that the Indian Health Service "internal priority system devised by Indian Health Service also fails to provide a system of allocation that is rationally aimed at an equitable distribution of funds."

That the needs in California are more severe than in any other part of the country can be verified through an examination of the data contained in the Indian Health Service National Plan for Fiscal Years 1981-1984. At page 30 of that Plan, Indian Health Service has compiled a list of the total unmet resource needs for Indian health care services broken down by Indian Health Service Area and Program Office. If one excludes the California area from consideration, the figures in that table show that Indian Health Service is meeting between 38% and 60% of the dollar needs for health services in every Area served, with an average of 46% of the total dollar need being met. In contrast to that 46% elsewhere in the country, only 17% of the needs are being met in California, according to this table. Even if California were raised to the level of having 20% of its needs met through the Equity Fund in FY 1981, 20% in no way approaches the 46% average nationwide. Surely providing California Indians with only 20% of the services they need while providing Indians elsewhere with 46% of their needs cannot be considered equitable treatment for Indians residing in California.

The Rincon Band thanks this Committee for adding the Equity Funds in FY 1981 to assist Indian Health Service in implementing the Rincon decision. However, the $5.5 million in Equity Funds that reached California in FY 1981 merely brought the Indians in California up to the point of having 20% of their needs met. The California area has been brought up to a point where it is only slightly closer to the bottom of all other areas than it was previously. However, California Indians still remain at the very bottom of the list among all Indian Health Service areas and are suffering from having 80% of their health care needs unmet. Certainly this Committee can see the inequity of the situation. Even if the bottom level of services is raised slightly, it still remains far below the rest. It is not until significant amounts of funding are added to bring the California area up to an equal level with other areas that California Indians will achieve the equity that the federal courts have mandated. It is for this reason that we are urging that $10,600,000 in Equity Funds be added specifically for California Indians this year so that California may more closely approach the bottom of the list by having 40% of its needs met as opposed to its current status of having only 20% of the needs met. The Rincon Band also urges that funding be increased for urban Indians in California who are also suffering from nearly the same level of unmet need.

The next question that comes to mind is what has Indian Health Service done in the nine months since the Rincon judgment in order to rectify its improper allocation system and to provide the required services to Indians in California? The answer is simple: NOTHING. Indian Health Service has done nothing to fulfill what the Court of Appeals described as its "continuing obligation . . . to distribute rationally and equitably all of the available Program funds." It has done nothing "to allocate its limited funds in accordance with a rational distribution standard." It has done nothing to fulfill its obligation "to adopt a program for providing health services to Indians in California which is comparable to those offered Indians elsewhere in the United States."

Because Indian Health Service appeared to be taking no action to implement the Rincon judgment, the Federal Court ordered Indian Health Service to report on its plans for serving the Indians in California. Basically, the approach which Indian Health Service set forth in its December, 1980 report to the Court was that the Equity Fund had been established and that

if more money was appropriated into that fund, then Indian Health Service would increase services to California Indians. Otherwise, Indian Health Service cited no specific plans or timetable to bring California Indians up to the same level of services as are provided to Indians elsewhere in the country. Thus, Indian Health Service has merely attempted to shift the responsibility to Congress, by saying that added funds for the Equity Fund would be the solution for California. In doing so, Indian Health Service has totally ignored the Court judgment against it and even the instructions of the Appropriations Sub-Committees to develop a rational system for allocating its funding.

In addition to the health services needs of the Indians of California, there is a large unmet need for ambulatory care facility construction funding. According to the Indian Health Service National Plan for FY 1981 - 1984, the facilities needs solely for outpatient facilities in California are in excess of $65 million. However, none of these facilities needs for California Indians was even considered when Indian Health Service compiled its facilities priority list for its current budget request. In regard to this facilities priority list, the Rincon Band urges this Committee to establish one priority list for hospitals and a separate priority list for construction, expansion, or renovation of ambulatory care facilities, so that all the ambulatory care clinics, which need relatively few dollars, do not have to wait for funds until all the hospitals have been built.

The Rincon Band is aware that this year is not an ideal time to be requesting added funding. However, since 1955 when all federal health care services were withdrawn from California, our people have been suffering from a <u>total</u> lack of services while others have had their needs partially met. For the past seven years we have fought in the Courts to obtain health care for the Indians of California. Now that we have had a legal determination that Indian Health Service has breached its legal duty to us, we are once again being told by Indian Health Service that it is going to continue violating our rights until such time as Congress gives it sufficient funds to provide us with services, without Indian Health Service even making the request for us.

Consequently, we have been forced to return to this Committee and once again request its assistance. That Indian Health Service has breached its legal duties to California Indians has been established by the U.S. Court of Appeals. Therefore, we believe that we stand in a somewhat different position than other groups coming before this Committee to request funding inasmuch as the Courts have decreed that additional services must be provided for California Indians to bring us up to a level comparable to Indians elsewhere in the United States.

In addition to our specific legal situation, we urge this Committee to remember that the federal government has a trust responsibility to provide health care to the Indian people of the United States. This responsibility has been recognized by Congress in the Snyder Act, 25 U.S.C. §13, and in the Indian Health Care Improvement Act, P.L. 94-437, 25 U.S.C. §1601 et seq. It has also been recognized by the federal courts in <u>White v. Califano</u>, 581 F.2d 697 (8th Cir., 1978).

In closing, the Rincon Band once again thanks the Committee for providing Equity Funding in FY 1981 and requests that $10.6 million be added in Equity Funds specifically for California Indians to bring them up to the point where only 60% of their needs would be unmet as opposed to the current 80% level of unmet needs. We also request your continuing assistance in requiring Indian Health Service to allocate its resources in a rational and legal manner.

Thank you so very much for your continued assistance with this problem which is so vital to the Indians of California.

RINCON BAND OF MISSION INDIANS, et al., Plaintiffs-Appellees,
v.
Patricia HARRIS, Secretary of Health, Education and Welfare, et al., Defendants-Appellants.

The PEOPLE OF the STATE OF CALIFORNIA ex rel. Obledo, et al., Plaintiffs in Intervention-Appellees,
v.
Patricia HARRIS, Secretary of Health, Education and Welfare, et al., Defendants-Appellants.

No. 79-4256.

United States Court of Appeals, Ninth Circuit.

May 8, 1980.

California Indians sought a declaratory judgment that the Indian Health Service's system for the allocation of its funds violated their constitutional right to equal protection. The United States District Court for the Northern District of California, Charles B. Renfrew, J., 464 F.Supp. 934, rendered judgment for the Indians and Secretary of Health, Education, and Welfare appealed. The Court of Appeals, Ferguson, Circuit Judge, held that there was no rational basis for the method used to determine the distribution of federal funds by the IHS to California Indians and Congress had not ratified the IHS allocation policy.

Affirmed.

Indians ⇐7

There was no rational basis for method used to determine distribution of federal funds by Indian Health Service to California Indians and Congress had not ratified the IHS allocation policy by failing to appropriate additional funding for California Indians. Snyder Act, 25 U.S.C.A. § 13.

G. William Hunter, U. S. Atty., David E. Golay, Asst. U. S. Atty., San Francisco, Cal., Nancy B. Firestone, Washington, D.C., for defendants-appellants.

Barbara E. Karshmer, Escandido, Cal., for plaintiffs-appellees.

John J. Klee, Jr., Deputy Atty. Gen., San Francisco, Cal., for plaintiff in intervention.

On Appeal from the United States District Court for the Northern District of California.

Before TANG and FERGUSON, Circuit Judges, and CURTIS,* District Judge.

FERGUSON, Circuit Judge:

This case presents the question of whether the distribution of federal funds by the Indian Health Service ("IHS") to California Indians violates the IHS's statutory, trust or constitutional duties. The district court granted the plaintiff-Indians' motion for summary judgment, declaring that the IHS's system for the allocation of its funds violated the California Indians' constitutional right to equal protection. *Rincon Band of Mission Indians v. Califano*, 464 F.Supp. 934 (N.D.Cal.1979). In a subsequent clarification of that judgment, the district court declared that, "[i]n accordance with this conclusion, defendants are obligated to adopt a program for providing health services to Indians in California which is comparable to those offered Indians elsewhere in the United States." We affirm the district court's granting of summary judgment for plaintiffs. Because we have concluded that the IHS breached its statutory responsibilities to the California Indians, we do not reach either the trust or constitutional questions.

I. *FACTS*

The IHS provides medical and hospital care and a full range of public health services for Indians throughout the United States. Funds for the IHS are authorized under the Snyder Act, 25 U.S.C. § 13 (1921) and the Indian Health Care Improvement Act, 25 U.S.C. § 1601 *et seq.* (1976) ("IHCIA"). The Snyder Act is a general enabling statute authorizing the Bureau of Indian Affairs ("BIA")[1] to "direct, supervise, and expend such moneys as Congress may from time to time appropriate, for the benefit, care, and assistance of the Indians throughout the United States . . ." for a variety of enumerated purposes.[2] The IHCIA was passed after the commencement of this action in order to supplement the existing IHS budget.

California Indians were severed from the IHS program in the early 1950's at the request of the State of California as part of a formal policy of ending the trust status of the Indians. They received no further federal health services funds until 1967 when the State of California and the federal Public Health Service funded an outreach program for rural Indians. The California Rural Indian Health Board ("CRIHB"), a pri-

* Honorable Jesse W. Curtis, Senior United States District Judge, Central District of California, sitting by designation.

1. The administration of the Snyder Act was transferred from the BIA to the Surgeon General in 1954, and from the Surgeon General to the Department of Health, Education and Welfare in 1966.

2. The Snyder Act provides as follows:

> The Bureau of Indian Affairs, under the supervision of the Secretary of the Interior, shall direct, supervise, and expend such moneys as Congress may from time to time appropriate, for the benefit, care, and assistance of the Indians throughout the United States for the following purposes:
>
> General support and civilization, including education.
>
> For relief of distress and conservation of health.
>
> For industrial assistance and advancement and general administration of Indian property.
>
> For extension, improvement, operation, and maintenance of existing Indian irrigation systems and for development of water supplies.
>
> For the enlargement, extension, improvement, and repair of the buildings and grounds of existing plants and projects.
>
> For the employment of inspectors, supervisors, superintendents, clerks, field matrons, farmers, physicians, Indian police, Indian judges, and other employees.
>
> For the suppression of traffic in intoxicating liquor and deleterious drugs.
>
> For the purchase of horse-drawn and motor-propelled passenger-carrying vehicles for official use.
>
> And for general and incidental expenses in connection with the administration of Indian affairs.

vate organization, administered that program under a contract with the State of California. Congress formally reinstated the California Indians into the IHS program at the request of the California State Assembly with an appropriation for CRIHB in fiscal year 1971.

Once Snyder Act funds have been appropriated by Congress, the IHS allocates those funds according to the following priority system: (1) program continuity, (2) mandatory costs, (3) congressional mandates, and (4) program expansion. This system is an administrative creation of the IHS, and is not required by statute.[3] Program continuity funds, which constituted an average of 85 per cent of the health services portion of the IHS budget from 1970 to 1978, are allocated so as to provide each existing program with the same amount of money it received the previous year. Mandatory costs, which comprised an average of approximately 8 per cent of the services budget from 1970 to 1978, include items such as Civil Service pay increases and inflationary cost index increases. These costs are directly tied to the program continuity budget. Congressional mandates, which accounted for an average of 2 per cent of the services and 25 per cent of the facilities budget from 1970 to 1978, are the funds specifically earmarked by Congress for particular facilities and programs. Program expansion funds, which comprised approximately 5 per cent of the services budget and approximately 75 per cent of the facilities budget from 1970 to 1978, are those funds which remain after allocations have been made to the first three priority categories. The IHS appears to have a significant amount of discretion with respect to the allocation of program expansion funds.

IHCIA funds, which are considered program expansion funds, are allocated to specific programs authorized by the statute, to health facilities earmarked on a project-to-project basis by Congress, and to individuals and groups meeting the statutory standards for health recruitment and urban health programs. Any remaining funds are used for health services and are distributed on the basis of the Resource Allocation Criteria ("RAC"). The RAC is a decision-making index developed to provide a method for assessing the relative health care needs of the nation's Indians.

Under the IHS priority system, California Indian health services are funded initially through congressional mandates for CRIHB. In succeeding years existing programs receive program continuity funds while new programs are funded through congressional mandates. California Indians received none of the program expansion money allocated by the IHS between 1968 and 1977. Using the figures most favorable to the government, California Indians have received 7 per cent of IHCIA services funds since 1978.

The district court made the following findings of fact:

1. The IHS informed Congress during fiscal year 1977 budget hearings that its national service population totaled 518,000. Of this number, approximately 52,000, or 10%, resided on or near reservations in California.

2. Since 1956 the IHS has allocated to California no more than 1.93% of its total funds in any one year, with the average being only 1.18% over the past five years.

3. Of the 8100 professional IHS health care personnel in the United States, only 45, or less than .60%, are assigned to California.

4. Although IHS operates 51 hospitals, 99 health centers, and several hundred health stations in the United States, California Indians are served by only one hospital and two health centers located within the state.

5. Only .35% of the total IHS funds for health facilities allocated over the next seven years is to be spent in California.

3. The annual budget submitted by the IHS to Congress is divided into two broad components: health services and health care facilities. It is not broken down according to the IHS's four-part priority system.

II. *SNYDER ACT*

The explicit language of the Snyder Act contains no provisions regarding eligibility criteria or distribution guidelines for any program. The Supreme Court, however, outlined the general principles for the allocation of funds under the Snyder Act in *Morton v. Ruiz*, 415 U.S. 199, 230–31, 94 S.Ct. 1055, 1072, 39 L.Ed.2d 270 (1974):

> Having found that the congressional appropriation was intended to cover welfare services at least to those Indians residing "on or near" the reservation, it does not necessarily follow that the Secretary is without power to create reasonable classifications and eligibility requirements in order to allocate the limited funds available to him for this purpose. Thus, if there were only enough funds appropriated to provide meaningfully for 10,000 needy Indian beneficiaries and the entire class of eligible beneficiaries numbered 20,000, it would be incumbent upon the BIA to develop an eligibility standard to deal with this problem, and the standard, if rational and proper, might leave some of the class otherwise encompassed by the appropriation without benefits. But in such a case the agency must, at a minimum, let the standard be generally known so as to assure that it is being applied consistently and so as to avoid both the reality and the appearance of arbitrary denial of benefits to potential beneficiaries.

Id. at 230–31, 94 S.Ct. at 1072 (citations omitted).

The IHS has expressly stated that it is unable to reach all eligible beneficiaries of its health services with the funds currently appropriated for it by Congress. *Ruiz* therefore requires that the IHS establish and consistently apply a reasonable standard for the allocation of its limited health services and facilities budget. While *Ruiz* does not explicitly state that the standard must be rational or result in an equitable distribution, it stresses that the purpose of establishing a clear standard is to prevent arbitrary denials of benefits. We can infer from this that the Court in *Ruiz* intended that the administering agency develop criteria for distribution that are rationally aimed at an equitable division of its funds.

This conclusion is consistent with the prior law of this circuit. *See Fox v. Morton*, 505 F.2d 254 (9th Cir. 1974). In *Fox*, this court held that the Indian plaintiffs were entitled to a due process hearing prior to termination from a program funded under the Snyder Act. We stated as follows:

> At the outset, we recognize that assistance programs established under the Snyder Act are for the special benefit of Indians and Indian communities and must be liberally construed in their favor. *Ruiz stands for the principle that our government has an overriding duty of fairness when dealing with Indians*, one founded upon a relationship of trust for the benefits of these ". . . dependent and sometimes exploited people." *The Snyder Act was enacted with this principle in mind, and its programs must be administered accordingly.*

Id. at 255 (citations omitted) (emphasis added).

The obligations imposed on the IHS by the Snyder Act are not satisfied by either the Resource Allocation Criteria or the IHS's internal priority system. The trial court determined that the criteria were "no more than a bureaucratic charade with respect to all IHS funds in general, and California Indians in particular . . . ," adding that "defendants' reliance on their use of RAC only reinforces the Court's conclusion that the agency's allocation system is irrationally administered." The overriding factor in the trial court's conclusion that the RAC does not facilitate a rational distribution of IHS funds to California was the absence of the data necessary to compute the unmet needs of California Indians. Obviously, the RAC cannot effectively assess unmet needs of California Indians without the workload and actual utilization data that is necessary to complete the RAC documents used to determine those needs. A distribution to California Indians on the basis of a comparison of the RAC figures for all eligible beneficiaries cannot be ra-

tional where it is impossible using RAC to assess accurately the unmet needs of the California Indians.

The internal priority system devised by IHS also fails to provide a system of allocation that is rationally aimed at an equitable distribution of funds. As noted above, 85 per cent of the health services budget appropriated by Congress is allocated by IHS under program continuity to existing programs. The record indicates that Congress automatically re-funds these programs without regard to whether they are in fact meeting the health care needs of their service populations. A system that allocates funds to programs merely because the programs received funds the previous year, regardless of whether the programs are ineffective, unnecessary or obsolete is not rationally aimed at an equitable division of funds.

We are persuaded that the district court was correct in stating that the IHS has a "continuing obligation under the Snyder Act to distribute rationally and equitably *all* of the available Program funds." *Rincon Mission Band of Indians v. Califano, supra*, 464 F.Supp. at 937 (emphasis in original). The IHS has breached this statutory duty to the California Indians by failing to allocate its limited funds in accordance with a rational distribution standard.[4]

III. *CONGRESSIONAL RATIFICATION*

The government argues that Congress has ratified the IHS allocation policy and that it is therefore immune from attack. The government's argument is premised on Congress's failure to fully comply with the requests of both the IHS and various senators for additional funding for California Indians, despite Congress's knowledge that funding to California is disproportionate and inadequate. The mere appropriation of funds, however, does not constitute congressional ratification of either IHS's total budgetary allocation to California Indians or its internal priority system.

Ratification by appropriation will not be found unless the government has sustained "the heavy burden of demonstrating congressional knowledge of the precise course of action alleged to have been acquiesced in." *City of Santa Clara v. Andrus*, 572 F.2d 660, 672 (9th Cir.), *cert. denied sub nom. Pacific Gas & Electric Co. v. Santa Clara*, 439 U.S. 859, 99 S.Ct. 176, 58 L.Ed.2d 167 (1978). *Accord, Arizona Power Pooling Ass'n v. Morton*, 527 F.2d 721 (9th Cir. 1975), *cert. denied sub nom. Arizona Public Service Co. v. Arizona Power Pooling Ass'n*, 425 U.S. 911, 96 S.Ct. 1506, 47 L.Ed.2d 761 (1976); *Associated Electric Cooperative, Inc. v. Morton*, 507 F.2d 1167 (D.C. Cir. 1974), *cert. denied*, 423 U.S. 830, 96 S.Ct. 49, 46 L.Ed.2d 47 (1975). Moreover, the appropriation "must plainly show a purpose to bestow the precise authority which is claimed." *Ex Parte Endo*, 323 U.S. 283, 303 n.24, 65 S.Ct. 208, 219, 89 L.Ed. 243 (1944). *Cf. Tennessee Valley Authority v. Hill*, 437 U.S. 153, 98 S.Ct. 2279, 57 L.Ed.2d 117 (1978) (absent both congressional awareness of construction of the Endangered Species Act which would effectively repeal it with respect to Tellico Dam and explicit language removing dam from scope of statute, appropriation of funds for dam did not constitute implied repeal of the statute); *Sierra Club v. Andrus*, 610 F.2d 581 (9th Cir. 1979) (appropriations act constituted authorization for pumping plant as Congress had knowledge of the precise project at issue and was explicitly and specifically addressing that project); *Libby Rod and Gun Club v. Poteat*, 594 F.2d 742 (9th Cir. 1979) (appropriations act did not confer statutorily required authorization for construction of dam as there was no evidence that Congress had affirmatively addressed itself to the issue of authorization or was even aware of it).

The government here has demonstrated nothing more than that the House and Sen-

4. In reaching this conclusion, we are not suggesting that the Snyder Act requires the IHS to allocate a per capita proportionate share of its funds to California Indians. The fact that 10 per cent of the IHS's national service population resides on or near reservations in California is significant, but it is only one of several significant factors which must be assessed in formulating a services and facilities program for the California Indians.

ate Appropriations Committees have been informed that the IHS budgetary allocation to California Indians is both inadequate and disproportionately low relative to other beneficiary groups. If Congress had expressly intended to limit the California Indians' share of IHS funds to specific congressional mandates, any failure by Congress to provide requested funds would arguably reflect Congress's position on the appropriate scope of the IHS allocation to California Indians. The government, however, has failed to show that Congress either intended its specific appropriations for CRIHB to preclude California Indians from receiving other IHS funds, or was aware of any IHS policy to that effect.[5]

The government also suggests that Congress is aware that IHS's pre-existing obligations under the program continuity policy make it impossible for the IHS to allocate additional funding to California Indians without specific increases in the congressional mandates for CRIHB. In light of Congress's alleged knowledge of the program continuity policy, the government contends that Congress's failure to comply with requests for additional funds evidences Congress's ratification of the existing IHS allocation policy. The government, however, has not demonstrated that Congress has considered, or is even aware, of the IHS's internal priority system for the distribution of funds.[6] The government has therefore failed to sustain the burden of demonstrating "congressional knowledge of the precise course of action alleged to have been acquiesced in."[7]

5. As the district court noted, the Appropriations Committees' refusal to comply with a particular funding request does not mean that programs that are not funded or that receive only limited funding are precluded from receiving other federal funds. If this were so, few groups would appeal to Congress for mandated funding as such an appeal would jeopardize their funding from the unmandated remainder of the IHS budget. In fact, in 1979 alone, approximately 80 Indian groups appeared before appropriations subcommittees to request additional funds.

6. The significance of the Appropriations Committees' failure to consider the challenged allocation policies is apparent in light of *Tennessee Valley Authority v. Hill*, 437 U.S. 153, 98 S.Ct. 2279, 57 L.Ed.2d 117 (1978). That case involved the question of whether Congress's continuing appropriations for the Tellico Dam, even after its construction had been determined to be in violation of the Endangered Species Act of 1973, constituted a repeal of that Act with respect to the dam. The record showed that both the House and Senate Appropriations Committees expressly stated that, in their view, the Act either did not apply to the dam or that the dam should be completed regardless of the Act. Nevertheless, the Court refused to presume that Congress as a whole was aware of such a construction of the Act and held that continued appropriations for the dam did not, therefore, constitute repeal of the Act.

While *TVA v. Hill* involved the issue of repeal by appropriation and not ratification by appropriation, these issues are sufficiently analogous to make the Court's conclusion with regard to the significance of Appropriations Committees' actions applicable here. We therefore conclude that if the appropriations in *TVA v. Hill* did not constitute repeal of the Endangered Species Act despite express statements to that effect by the Appropriations Committees, the appropriations in the instant case cannot be said to constitute ratification of IHS allocation policies that were never expressly considered by the Appropriations Committees. *See also Libby Rod and Gun Club v. Poteat, supra*, 594 F.2d at 746 n.6 (reasoning of *TVA v. Hill* is applicable to issue of whether Congress impliedly authorized the construction of a dam by appropriating funds for that purpose).

7. The government also argues that "where Congress is aware of an agency's actions and it repeatedly makes appropriations consistent with the agency's program, courts have held that such Congressional action constitutes a ratification of the agency's program." Even if the government's argument were correct, it would fail here because the government has not shown congressional awareness of the IHS allocation policies at issue.

We note also that the government's reliance on *United States v. Kennedy*, 278 F.2d 121 (9th Cir. 1960) and *United States ex rel. T.V.A. v. Two Tracts of Land*, 456 F.2d 264 (6th Cir.), *cert. denied*, 409 U.S. 887, 93 S.Ct. 109, 34 L.Ed.2d 143 (1972), is misplaced. These cases involve the limited issue of land condemnation. They hold that where Congress has given an agency broad authorization to acquire land for public uses, continued appropriations for that purpose, in light of an administrative policy of acquiring particular real estate without further authorization, constitute ratification of that policy. We recently noted our hesitance to apply these cases outside land condemnation situations. *Libby Rod and Gun Club v. Poteat, supra*, 594 F.2d at 746 n.5. The Supreme

IV. *CONCLUSION*

In affirming the district court's grant of summary judgment for plaintiffs, we recognize that the relief granted is declaratory only, and that the obligation imposed on the defendants to adopt a health services program for the California Indians that is comparable to that offered Indians elsewhere is not as explicit as it might be. If further relief becomes necessary at a later point, however, both the inherent power of the court to give effect to its own judgment, *Terry v. Adams*, 345 U.S. 461, 73 S.Ct. 809, 97 L.Ed. 1152 (1953), and the Declaratory Judgment Act, 28 U.S.C. § 2202 (1948), would empower the district court to grant supplemental relief, including injunctive relief. *Powell v. McCormack*, 395 U.S. 486, 89 S.Ct. 1944, 23 L.Ed.2d 491 (1969); *McCann v. Kerner*, 436 F.2d 1342 (7th Cir. 1971); *Edward B. Marks Music Corp. v. Charles K. Harris Music Publishing Co.*, 255 F.2d 518 (2d Cir.), *cert. denied*, 358 U.S. 831, 79 S.Ct. 51, 3 L.Ed.2d 69 (1958); 10 Wright & Miller, Federal Practice & Procedure, § 2771 at 865–67.

Because the IHS breached its statutory duty[8] to the California Indians under the Snyder Act to develop distribution criteria that are rationally aimed at an equitable division of its funds, and in the absence of any material issues of disputed fact, the district court's grant of summary judgment is

AFFIRMED.

Court's decision in *TVA v. Hill*, as well as our decisions in *Libby, Sierra Club v. Andrus*, 610 F.2d 581 (9th Cir. 1979), and *City of Santa Clara v. Andrus*, 572 F.2d 660 (9th Cir.), *cert. denied*, 439 U.S. 859, 99 S.Ct. 176, 58 L.Ed.2d 167 (1978), confirm our determination that the ratification language in the land condemnation cases is not applicable outside that context.

8. Plaintiff-Indians contend that the Synder Act and IHCIA create a trust obligation between the United States and the Indians, and that the IHS breached its fiduciary duty as trustee by failing to provide California Indians with a level of health services comparable to that provided Indians elsewhere in the United States. The Supreme Court recently dealt with the issue of the nature of the government's duties as trustee for the Indians in *United States v. Mitchell*, — U.S. —, —, 100 S.Ct. 1349, 63 L.Ed.2d — (1980). The Court held in that case that the General Allotment Act, 25 U.S.C. §§ 331–358, by which the government retains land in trust for the benefit of individual Indian allottees, does not impose a fiduciary duty on the United States to manage timber resources on trust land. *United States v. Mitchell* is inapplicable to the case before us because we do not reach the trust question and therefore make no determinations with respect to duties which the government may have as a result of the general trust relationship that exists between the United States and the Indians. See *Seminole Nation v. United States*, 316 U.S. 286, 62 S.Ct. 1049, 86 L.Ed. 1480 (1942).

We note also that because the Indians here are not seeking money damages against the United States, as did plaintiffs in *United States v. Mitchell*, we are not confronted with the jurisdictional dilemma that faced the Court in *Mitchell*.

Bernard T. SANTOS, Appellant,

v.

ALASKA BAR ASSOCIATION and the Justices of the Supreme Court of Alaska, Robert Boochever, Chief Justice, J. A. Rabinowitz, Roger Connor, Edmond G. Burke, and W. W. Matthews, Justices, Appellees.

No. CA 78-3606.

United States Court of Appeals,
Ninth Circuit.

May 8, 1980.

The complaint of a law school graduate, premised upon the 1871 civil rights statute, was dismissed by the United States District Court for the District of Alaska, James A. von der Heydt, Chief Judge, for failure to state a claim upon which relief could be granted. The Court of Appeals, Beeks, Senior District Judge, sitting by designation, held that the Alaska bar admission rule under which only graduates from schools accredited by American Bar Association or Association of American Law Schools may apply for admission did not violate Fourteenth Amendment.

Affirmed.

STATEMENT OF H. D. TIM WILLIAMS, CHAIRMAN, CALIFORNIA RURAL INDIAN HEALTH BOARD, INC.

ACCOMPANIED BY DENNIS HENDRICKS, VICE CHAIRMAN, BOARD OF DIRECTORS, CALIFORNIA RURAL INDIAN HEALTH BOARD, INC.

Mr. WILLIAMS. My name is H. D. Tim Williams, the chairman of the California Rural Indian Health Board. Off to my left is Dennis Hendricks, the vice chairman of the board of directors, the California Rural Indian Health Board.

We consider it an honor to be here today to present our grievances also, I guess, at this point on the California situation.

Ms. RICHARDSON. It has been California day so far.

Mr. WILLIAMS. We would like to, I think, support the testimony that has already been given from both divisions so far on behalf of the California Indians.

We represent 15 clinics in the area that are member clinics of the California Rural Indian Health Board.

While we talk about the lack of facilities, lack of funds for facilities, we also are concerned about the fact that the National Health Service Corps is going to be cut.

In my particular clinic alone we have two of their doctors. It is really going to affect the Indians in California as to where we are going to get the medical physicians to fill the needs of our people in the area. Eventually, if we are going to do that, we are going to have more funds to either contract for a doctor to come in to take care of the facilities' needs there, if we can't rely upon the corps.

We are already strapped for funds. For instance, the clinic that I presently represent is one of the members clinics. It has approximately 13 other contracts from different health care divisions.

To try to raise the money to meet the needs of our people in the State, many of our member clinics are doing the same thing. They are going into the communities. But, as Mr. Magee stated earlier, it is going to be difficult for us to approach those local communities again and ask for another contribution from the local community.

From what is happening, I think I would like to also defer the rest of this testimony over to Mr. Hendricks.

On one of the other concerns, is the growth of the bureaucracy of the Indian Health Service in California compared to the growth of the administration of the California Rural Indian Health Boards, which was in actuality delivering health care to the Indian people, I would defer that portion of it to Mr. Hendricks.

Ms. RICHARDSON. Mr. Hendricks.

Mr. HENDRICKS. Thank you. One of the things we see is happening is that our administrative budget increase for the last 2 years combined has reached a total of a 16-percent increase, whereas we see that the Indian Health Service staff, which they only have administrative staff out there now, their budget has increased about 60 percent or more, and their staff people have increased. They now have about 60 people employed out there. Yet they are delivering no health care services.

So we are concerned about a trend that may be developing where we're establishing bureaucracy and not really getting the maximum utilitization of the available funds. This is one of our concerns.

The other thing we would like to further emphasize is that there be a priority list established for California and we become a part of that for the Indian Health Service, because it is very much needed out there.

We have roughly about 45,000 or 50,000 rural California Indians. We have about 170,000 urban Indians in the State. So we do have a very large Indian population. Yet we receive a very small percentage of the Indian Health Service budget and consideration.

Ms. RICHARDSON. Have the California groups been put into the RAC system?

Mr. WILLIAMS. Yes; in fact, the RAC system has been declared, in California, an unusable instrument. It only provides for staff and usually provides for Indian Health Service staff. What they say is a certain amount of population requires a nurse and a half. A certain other population requires three-quarters of a doctor. That doesn't apply in California at all.

In fact, in the district that our clinic is located now, some of our patients come from 80 to 100 miles away to participate in that one clinic. The next clinic to that is 150 miles to the east of us. So it is that type of thing that we are up against in California. And the RAC document just doesn't apply, because the staffing of those places just doesn't fit that.

Ms. RICHARDSON. Are you relying on contract care for hospital support only?

Mr. WILLIAMS. We are utilizing everything possible to get hospital care. We lean on people who have medicare. I understand medicare, medicaid are also going to be cut. If we enrolled our elders into any kind of an elder program that they can receive any benefits from hospitalization—we've just taxed every avenue that we can to try to meet the needs of our people. We are just at the end of the line to try to get any more accomplished without any additional funding.

We would ask that this committee support the equity fund and I think we are going to need that for several years to come just to get us up to some half-way par with the rest of the Nation.

Ms. RICHARDSON. I think the Indian Health Service at this point is planning to continue requesting funds at least through fiscal 1984. Of course, that was before the budget revisions, which we haven't seen yet. But they were looking at a multiyear program.

Mr. WILLIAMS. You will note that on the last page of our budget we ask for some administration add-ons. And we are really concerned about that. As Mr. Hendricks explained to you earlier, the growth of the CPO, the California Program,Office of Indian Health Service, is 62 percent compared to the growth of our clinic administration at 16 percent. And we are the ones who are actually delivering the health care, and our staff is working way beyond their hours and way beyond the call of duty sometimes, on Saturdays and Sundays and late at night just to keep pace, with no increases in pay for 2 years. It is difficult for us to even keep staff on board like this and keep decent staff to meet our people's needs.

So we are really having a strapping time in California just trying to stay alive and deliver health care services to our needy people.

Ms. RICHARDSON. Thank you very much.
Mr. WILLIAMS. Thank you for your time.
[The statement follows:]

STATEMENT OF THE CALIFORNIA RURAL INDIAN HEALTH BOARD, INC.

We have come before this committee today to bring to your attention the unique problems faced by Indian people of California in relation to our health care needs, and to describe some of the major difficulties we face with participating in an equitable manner with the Federally established Indian Health Service system, whose budget is before you for consideration.

Background of Health Care Programs for Indians in California and the Role of the California Rural Indian Health Board, Inc. (CRIHB): In 1953, at the request of the State of California and consistent with federal government policy to terminate its trust relationship with Indian people wherever possible and to encourage their assimilation, the Indian Health Service (IHS) withdrew completely from the State of California. During the next thirteen years, predictably, the health of California Indians deteriorated to a deplorable state reminiscent of the decimation of the California Indian population in the 1850's as a result of the diseases carried to them by settlers, gold miners and pioneers. In the 1966 Progress Report of the California State Advisory Commission on Indian Affairs, for example, the situation was described as one of "inadequate medical care aggravated by conditions of poor nutrition, sanitation and the apathy which accompanies those conditions." As a result, in 1967, the California Department of Health and Welfare, in cooperation with Indian tribal leaders, initiated a pilot project composed of Indian controlled health clinics in rural areas throughout the State. This project resulted in the formation of the California Rural Indian Health Board (CRIHB) in 1969 and signaled the return of the IHS in California as the source of funding for CRIHB.

CRIHB is an extraordinary organization and a pre-P.L. 93-638 pioneer in Indian self-determination. It was, in fact, the first Indian organization in the nation to gain community control of its health clinics. It is organized as a California non-profit corporation with membership constituting 15 of the 17 Rural Indian Health Centers located throughout the state. CRIHB is governed by a 30 person, all Indian health consumer Board of Directors of each of CRIHB's 15 member health centers. The CRIHB Board represents the health interests of rural Indian communities served by CRIHB's membership which includes the membership of more than 50 Tribal Governments in California.

To be clear, our situation in California is unusual and has resulted in a system of health care for Indian people which is drastically different than what is found in any other State under the Indian Health Service. As a matter of record, the State of California has the single largest population of Indian people of any State in the nation. By the Indian Health Service's own official count for 1981, there are an estimated 45,000 Indian people in rural areas, and almost 170,000 living in urban areas. Despite this fact, and the vast geographic size of the State, there are no Indian Health Service operated hospitals, ambulatory care facilities or IHS personnel servicing our communities. Instead our local Indian communities have had to rely on their creative abilities to maximize the few available resources other than the limited IHS funding. This has included State categorical assistance, National Health Service Corp, U.S. Public Health Service, Medi-Cal, and private donations to attempt to meet the overwhelming health care needs of the Indian people in our State. Where, in other states, you the Federal Government were building new clinics and hospitals for Indian communities, we in California were leasing storefronts and building our own clinics purely with community donations. Needless to say, despite our efforts, the unmet need of the rural and tribal Indians in California is substantial. The IHS National Plan establishes the total unmet need for California at more than 65 million dollars. By the end of fiscal year 1981 only 20% of this will be met while the Indian people in the rest of the nation will have the benefit of having 60% of their needs met by IHS. Simple arithmetic shows this to be three times the resources and services we receive.

Given this background, you can understand our anger and frustration with the federal Indian Health Service and their history of unresponsiveness and conscious neglect in California. It has taken a hard-fought, landmark lawsuit (Rincon vs Califano.) to finally force the Indian Health Service to recognize our needs. As a result, a so-called Equity Health Care Fund was created this year as a first step toward correcting this gross injustice. We find it ironic, if not telling, that in the most recent report to Congress by the Department of Human Services, Health Services Administration, on the Indian Health Service, there is no mention of the Rincon vs Califano lawsuit victory, nor of its plans for complying with the Federal court order. Mention is made however, of the Equity Fund in the context of fulfilling the priorities of the National Health Plan and we are most grateful to this Committee and to the Federal Government for this additional assistance, since California rural and tribal programs comprise 70% of all the programs in the nation that fall into the category of greatest unmet need and thus eligible for these funds. We would however like to keep this proper perspective and advocate for your continued support for Indian people of California as you consider the IHS budget before you. In this context, then, we propose the following recommendations and priorities:

1. Continue the IHS Program Budget item of "Equity Health Care Fund" and the proposed addition of $8.198 million for 1982. Even though this still only meets 15% of our total unmet need, it is the only vehicle which presently exists by which the rural and tribal

programs can effectively reduce their unmet need to a level comparable with the rest of the Indian groups in the country. If any reductions are to be made in the operating budget of IHS, we request that the California programs be exempt. This would be consistent with the directives of the Federal Court in the Rincon vs. Califano decision.

2. Extension of eligibility for IHS funds including the Equity Health Care fund to the estimated 2-3,000 landless rural Indian people in areas of California currently not included in any of the service areas of the existing rural and tribal health programs in California.

3. Redistribution of Indian Health Facilities Construction Program funds to allow for an equitable share for the needs of California. With the expected Rural California IHS allocation for patient care services tripling within the next two years it is vital that a concurrent effort be made to provide added funds for the necessary construction of ambulatory care facilities to house these expanded services. Considering the fact that California has not benefited from any facilities construction funds, we should be given immediate consideration, particulary since 70% of the Equity Health Care Fund dollars are designated for California. Unfortunately, the IHS Priority System for facility construction also blatantly ignores the needs of California in this area and does not include any current or future plans for facilities in their budget. We hope that this committee and Congress will correct this intolerable situation and redirect the necessary funds for our health centers. This would be much more preferable than returning to the courts to seek an equitable solution.

   In regard to the facility Priority System we wish to emphasize the need for differentiation between hospital and ambulatory care facilities. Hospitals and hospital care on a national level are extremely costly and inflationary. One major lesson from the California Indian health experience is, that it is significantly more cost-effective, in the long run, to give priority to culturally relevant and accessible clinical and preventive health services than, to finance acute care facilities. We have no desire to construct or operate any IHS hospitals in California and we are dismayed at the IHS priority for inpatient care for the use of Equity Health Care Funds in 1982. We strongly recommend that separate priority systems be used for ambulatory and inpatient facility needs.

   We have effectively demonstrated that i is more efficient to utilize existing non-IHS hospitals where available for Indian patients, on a contract basis, than to invest vast numbers of dollars to build new IHS hospitals, or renovate existing ones which are out of compliance with the JCAH, Hospital Accreditation Program.

4. Given the unique nature of the IHS delivery system in California and consistent with the clear trend by IHS to return authority for the operation of health services back to the Indian people, we respectfully request that Congress provide the additional necessary funding for CRIHB to effectively and adequately meet our responsibilities of contract and program administration, management, planning and technical assistance. This is not the first time we have come before you with this request. However, given the significant increase in patient care funds our member health programs expect to receive in the coming years and the proposed policy of no expansion for the IHS California Program Office, our request is significantly more crucial this year. The CRIHB has a long history of leadership and accountability to our Indian communities and to the Federal government. Under the FY 1980 contract period, the 9 CRIHB subcontractors provided 44,682 medical visits, 25,481 dental, 89,127 outreach services and transportation to 26,143 Indian people. Our Central Office operating budget has received less than an 8% increase over two years; yet during the same period of time the individual rural Indian program budgets, including the added Equity Health Care fund, have more than tripled. It would be financially prudent for the Federal government to provide us the needed funds for the intelligent planning and management functions. Specifically we request funding in the following amounts:

BUDGET CATEGORIES	FY 1982 REQUEST
CRIHB Central Office	
Administration	$880,199.
Technical Assistance & Training	146,300.
Information Management System	150,000.
Statewide Planning	90,000.

Finally, we request that all funding for CRIHB be specifically designated in a line-item appropriation to insure that the funding is used for its intended purpose.

In the spirit of self determination and sound management and budgetary practices we hope you will favorably endorse our requests. Thank you.

STATEMENT OF DARRELL WADENA, PRESIDENT, THE MINNESOTA CHIPPEWA TRIBE

ACCOMPANIED BY:
GEORGE V. GOODWIN, EXECUTIVE DIRECTOR
ARTHUR GAHBOW, CHAIRMAN, MILLE LACS BAND OF CHIPPEWA INDIANS

Ms. RICHARDSON. The next witnesses represent the Minnesota Chippewa Tribe, Mr. Wadena and Mr. Goodwin.

Mr. WADENA. My name is Darrell Wadena. I am president of the Minnesota Chippewa Tribe. With me I have George Goodwin, our executive director. Also Art Gahbow, chairman of the Mille Lacs division of our tribe.

We have submitted our testimony. We would like to, at this time, just kind of briefly touch on it.

Ms. RICHARDSON. That would be fine.

Mr. WADENA. The tribe is composed of six reservations. We have 34,000 members.

We have a number of items within our submission here. We are asking for funding, but one of the main topics we are interested in, of course, is the so-called tribal agency budget requests that supposedly afford Indian tribes an opportunity. It doesn't seem to be working. We would like to see some changes in the area of the tribal agency budgeting process.

Ms. RICHARDSON. You mean the priorities that you are developing at the local level are not being reflected? Or they are being reflected, but Congress chooses not to approve them all?

Mr. GOODWIN. Maybe I could answer that.

I think at one time that the tribal agency portion of the Bureau's budget reflected over 50 percent of the budget. Because of the various mandates and formula funding and this kind of thing, 30 percent of the Bureau's total budget now is being allowed to be prioritized at the agency tribe level. We are concerned about that and we are concerned that a lesser portion of the budget is being presented to the tribal level for establishing various programs.

Ms. RICHARDSON. I think the largest segment that was taken out of the band was the education component, which, of course, is the biggest part of the Bureau's budget overall. That was not the Bureau. That was done by an act of Congress.

Mr. GOODWIN. Additionally, we have other Bureau decisions which reflect the diminishment of the amount of budget items that would be available. Even the spreading of money outside of the reservations. The Indian Child Welfare Act, for instance, while we feel that there is not enough money appropriated for the reservations to carry out their mandated responsibility, money was being made available to non-Indian organizations outside the reservations which diminishes the resources even further. That is our primary concern in the budget process.

Mr. WADENA. We believe the time has arrived for the committee to conduct an impartial and thorough review of the Bureau process in order to bring about needed reforms.

May we suggest oversight hearings by this committee to obtain the views and recommendations on the matter of the tribes throughout the country.

The Minnesota Chippewa Tribe and its six constituent bands are prepared to assist the committee and staff in any effort designed to reform the BIA budget and the formulation process so that the tribes will exercise greater self-determination.

As an example of the direction that might come, I would like to have the chairman of Mille Lacs make a statement.

Mr. GAHBOW. Members of the committee, my name is Arthur Gahbow. I am the tribal chairman of the 3,000 Mille Lacs Band of Chippewa Indians who reside primarily in north central Minnesota.

The Mille Lacs Band of Chippewa Indians are one of six bands who comprise the Minnesota Chippewa Tribe.

Today I appear before you to present you the budget proposal of the Mille Lacs Band of Chippewa Indians for fiscal year 1982. This budget proposal is a location budget that has been developed independently and its format has been self-generated.

It is thought by the tribal governing body that the truest representation of local needs could only be developed by stepping outside the traditional and existing structure of program reporting. By the same token, no attempt has been made to stay within and cost guidelines that may be implemented by either the current or proposed 1982 fiscal year budgets.

Simply stated, the present budget preparation process does not accurately portray the needs of small bands in current funding levels or the allocation methods employed to arrive at such.

Additionally, they do not reflect nor are they consistent with the priorities developed at the band level. Thus funds tend to be expended to meet board specified needs which may not be critical needs at the band level.

Members of this committee, for my people I express gratitude for permitting me the opportunity to make this presentation. We urge the committee and the staff to review this document with special consideration for the amount of time to deliberations that tribal government at Mille Lacs put into its preparation and acceptance review process. We look forward to your thoughful deliberations and final judgment on our request.

Ms. RICHARDSON. There is a rumor floating around that the Bureau may be considering a form of block grants to the tribes. Do you think that would improve the situation?

Mr. WADENA. It all depends on the funding.

Ms. RICHARDSON. How much, right. But as far as developing the priorities at the local level.

Mr. WADENA. Sure, it would allow us to do what we want.

Ms. RICHARDSON. Thank you very much.

Mr. WADENA. There is one other document I would like to submit.

Ms. RICHARDSON. We cannot print all of these multipage submissions. We will keep them on file with the committee, however.

Mr. WADENA. I don't expect it as part of the record, just as part of your file.

Ms. RICHARDSON. OK.

[The statement follows:]

STATEMENT OF ARTHUR GAHBOW

Introduction

Mr. Chairman,

Honorable members of the Committee. My name is Arthur Gahbow. I am the Tribal Chairman of three thousand Mille Lacs Band of Chippewa Indians who reside primarily in north central Minnesota. The Mille Lacs Band of Chippewa Indians are one of six bands who comprise the Minnesota Chippewa Tribe. We are organized under the Revised Constitution and By-Laws of the Minnesota Chippewa Tribe, Section 16 of the Act of Congress of June 18, 1934, commonly known as the Wheeler-Howard Indian Reorganization Act.

Today, I appear before you, to present to you the Budget Proposal of the Mille Lacs Band of Chippewa Indians for fiscal year 1982. This budget proposal is a location budget that has been developed independently and its format has been self-generated. It is thought, by the tribal governing body, that the truest representation of local needs could only be developed by stepping outside the traditional and existing structure of program reporting. By the same token, no attempt has been made to stay within any cost guidelines that may be implied by either the current or proposed 1982 fiscal year budgets. Simply stated, the present budget preparation process does not accurately portray the needs of small bands in current funding levels or the allocation methods employed to arrive at such. Additionally, they do not reflect nor are they consistent with the priorities developed at the band level. Thus, funds tend to be expended to meet board specified needs which may not be critical needs at the band level.

Before formal submission, however, I would be honored, to be permitted, to make a brief statement regarding the efforts of self-determination including self-government that are on-going on my reservation for the benefit of my fellow Indians.

In the words of Felix Cohen, "the Indian's rights to self-government is a right which has been consistently protected by the courts, frequently recognized and intermittently ignored by treaty makers and legislators, and very widely disregarded by administrative officials. That such rights have

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been disregarded is perhaps due more to lack of acquaintance with the law of the subject then to any drive for increased power on the part of administrative officials." Further, "Indian self-government, the decided cases holds, includes the power of an Indian tribe to adopt and operate under a term of government of the Indians' choosing, to define conditions of tribal membership, to regulate domestic relations of members, to prescribe rules of inheritance, to levy taxes, to regulate property within the jurisdiction of the tribe, to control the conduct of members by municipal legislation, and to administer justice." These expressed powers, are not delegated powers, but rather "inherent powers" of a sovereignty. The people, who comprise the Mille Lacs Band of Chippewa Indians, expect their elected tribal leadership, to govern them thoughtfully, with wisdom, honor and integrity, in the furtherance of Indian self-determination.

Basically, the Mille Lacs Band of Chippewa Indians is confronted with a positive challenge to directly implement appropriate sections of the Indian Self-Determination Act of 1975 in order to ward off exterior encroachments to our rights of self-government. Surely, what is to come, for us as a people, is a rudimentary change in the basic government to government relationship as was conducted in the past. Simply, we intend to improve the basic function of our government at all levels both inside and outside of the territorial boundaries which form the jurisdictional control of the Mille Lacs Band of Chippewa Indians. This, is the expectation of my people.

In the furtherance of self-determination, the Mille Lacs Band of Chippewa Indians, have arrived at a crucial point in the development of a future system of tribal government. The people have determined that they have a right to be self-governed. The purpose of the Indian Self-Determination Act of 1975 is to give Indians the opportunity to become self-governing. On the Mille Lacs Indian Reservation, we, the elected tribal leadership, in partnership with our people, fully intend to take advantage of the opportunities afforded us by the Congress of the United States. Therefore, our tribal government must implement a phased planning project to finaly establish this goal. A four year developmental planning and implementation project on tribal government will result in the selection and/or refinement of a form of

government which regulates domestic relations and establishes appropriate and effective policies which will guide our reservation's relations with the honorable government of the United States. We view this as a necessary step toward strengthening the future efforts of self-determination on the Mille Lacs Reservation.

In conclusion, Mr. Chairman, the Mille Lacs band of Chippewa Indians are collectively, a people who view themselves as possessing the rights, privileges and responsibilities afforded by internal sovereignty. They elect by popular vote a government which they believe is a political entity. Through local conceptions, this denotes a band of Indians who reside within the territorial limits of the Treaty of 1837 and who elect, by popular vote, a government which is conceived as being sovereign within the territory as regards band members. Questions regarding the confines and/or directions of internal sovereignty must remain the sole jurisdiction of tribal government for the people and by the people unless specifically withdrawn by the enrolled band members themselves. Finally, to further the purposes of this entitlement request, the people of Mille Lacs concur with the words of former Supreme Court Chief Justice John Marshall when he wrote about the relationship of tribes to outside interior governments. He characterized this relationship as being "marked by peculiar and cardinal distinctions that exist nowhere else." On this premise the people and their tribal government at Mille Lacs will proceed into the future.

Mr. Chairman, members of this Committee, for my people, I express gratitude, for permitting me the opportunity to make this presentation. We urge the Committee and their staffers to review this document with special consideration for the amount of time to deliberations that tribal government at Mille Lacs put into its preparation and acceptance review process. We look forward to your thoughtful deliberations and final judgment on our request.

Ms. RICHARDSON. The Ak-Chin Community Council.

STATEMENT OF WILBERT J. CARLYLE, CHAIRMAN, AK-CHIN INDIAN COMMUNITY

ACCOMPANIED BY WILLIAM STRICKLAND, ATTORNEY FOR AK-CHIN INDIAN COMMUNITY

Mr. CARLYLE. Good morning, chairperson of the committee. I am Wilbert J. Carlyle, chairman of Ak-Chin Indian Community. Our attorney is also here with me, Mr. William Strickland.

I am going to make this presentation very short.

We are mainly here to ask your support of $27.1 million as contained in the BIA fiscal year 1982 budget, to keep it intact.

We have got a very rigorous time schedule to meet on this project. It is very necessary that we stay on that scale. Therefore, that is primarily the reason that we have to keep this intact.

We have been fairly pleased with the progress of this year's phase. We did get the $10 million that we asked for last year.

Basically, that's about it. As you may or may not be aware, but I am sure you are, this act is a settlement between the Ak-Chin Community and the United States. So I am sure it would be very costly if we get behind schedule, in the long run now.

Ms. RICHARDSON. I think Ak-Chin and one of the others were made legislative priorities and the Bureau was directed to put them at the top of the list. We will see what we can do.

Mr. CARLYLE. Unless you have any questions, I guess that's all.

Ms. RICHARDSON. I don't for now. I think we are familiar with the project.

Mr. CARLYLE. You are. Thank you.

[The statement follows:]

STATEMENT OF THE AK-CHIN INDIAN COMMUNITY

My name is Wilbert J. Carlyle. I am appearing before you in my capacity as chairman of the Ak-Chin Indian Community. With me is Mr. William Strickland, attorney for the Community. We are present today to speak in behalf of funding requirement for the Ak-Chin water supply project.

BACKGROUND

The 95th Congress of the United States of America enacted Public Law 95-328 on July 28, 1978, which authorized the Ak-Chin water supply project. The legislative settlement was made to avoid lengthy and costly litigation to satisfy water claims of the Community. The water claims were the result of a rapidly declining groundwater level beneath the reservation caused largely by increased non-Indian pumping adjacent to the reservation.

The project includes the development of an interim water supply which includes a well field, installation of pumps, an electrical system for powering the pumps and a conveyance system for the annual delivery of 85,000 acre-feet of irrigation water to the Ak-Chin Indian Community.

The Water Settlement Act specified a rigorous implementation schedule. A July 1979 report of the U.S. Geological Survey concluded that a water supply exists in each of three basins underneath nearby Federal lands adequate to provide the prescribed 85,000 acre-feet per year for a 25-year period. The Secretary of the Interior entered into a contract with the Ak-Chin Indian Community on May 20, 1980 to carry out provisions of the act. An environmental impact statement will be completed during fiscal year 1981 followed by commencement of construction.

The project was first funded in fiscal year 1981 with $10 million which will be used for the reservation link portion of the project. The reservation link will be required regardless of the source(s) of water.

FISCAL YEAR 1982 REQUIREMENTS

The Bureau of Indian Affairs budget for fiscal year 1982 includes $27,100,000 for the Ak-Chin water supply project. The budget requirement is based on the following activities:

Description	*Cost*
Fifteen miles of conveyance system and appurtenant facilities	$16,650,000
Thirteen wells, pumps, and collection system	5,400,000
Initiate electrical system facilities	4,500,000
On reservation well operation (as provided in contract of May 20, 1980)	550,000
Total	27,100,000

The water supply contract signed May 20, 1980 by the Secretary of the Interior and the Ak-Chin Indian Community requires the initial delivery of water by January 1984. The funding level requested is the minimum required to keep the project on schedule and avoid the penalties contained in Public Law 95–328 for failure to deliver water as provided in the contract.

The Ak-Chin Indian Community fully supports the Bureau of Indian Affairs in its request of $27.1 million for fiscal year 1982 and respectfully asks that this subcommittee respond favorably to that request.

Thank you for your kind attention in this matter of utmost concern to our community.

STATEMENT OF FRANK LAWRENCE, CHAIRMAN, STANDING ROCK SIOUX TRIBE

Ms. RICHARDSON. Can we have just a slight change in the schedule here? Can we hear from Frank Lawrence? Is Mr. Lawrence here?

Senator BURDICK. Welcome to the committee, Mr. Lawrence. It is good to see you in Washington.

Mr. LAWRENCE. Good morning, Senator. This is a bad time to be coming to Washington and ask for additional money. But I guess we are all in need of additional money. I will be very brief.

Our testimony includes our concerns, eight in number. These are, of course, not all the unmet needs of Standing Rock.

Our basic concerns are law and order. We hope to get an increase in law and order.

We hope to see some construction on our elementary schools, which is high on our priority list at the Bureau of Indian Affairs.

We also would like to be considered for additional money in our irrigation project. We are on the priority list, we are in the budget for irrigation. We hope they will be restored to what our original irrigation project was in President Carter's budget in 1980, $2 million.

We do have problems in alcohol related areas. We would like to see an increase in our alcohol program. We haven't had much luck in getting any increase.

We would also like to see the public health fund of the Indian Health Service at a level that would provide good ambulance care to reservations. There are a lot of problems getting people to and from the facility.

We would also like to see an increase in our CHR program, which has been very beneficial for the reservations in bringing out educational deals in the area of health.

We would be extremely interested in seeing what the Senators and Representatives can do about changing some of the legislative types of things for direct funding.

As you know, Senator, we are in two States. And we have a tremendous problem of dealing through both States. Programs are held up because some States are not moving as fast as the other States. In order for us to get services to the people, to all the people, at the same time it is very difficult. Some programs are administered a little different, and their reporting systems are a little different. We are not requesting any money in that area. That's one of our concerns. And we hope that the committee would take a close look at trying to bring about some legislative change for that funding.

That's all I have, Senator. If there are any questions, I would sure like to answer them.

Senator BURDICK. I want to thank you for being brief.

You have filed with me, for the purpose of giving to the committee, a more detailed statement of the items you have briefly touched upon, and the budget impact of these various requests.

So, without objection, your complete statement will be made a part of the record at this point.

[The statement follows:]

STATEMENT OF THE STANDING ROCK SIOUX TRIBE

Standing Rock's Eight Special FY 1982 Priorities

The eight special FY 1982 priorities requested by the Standing Rock Sioux Tribe are described below. Each of the descriptions for the seven programs requiring funding includes a budget figure. Each provides details and justification for the priority request. Before turning to these seven special priorities, however, some background on the overall funding situation at Standing Rock Indian Reservation.

As the Committee knows, the Bureau of Indian Affairs and the Indian Health Service are the two federal agencies possessing continuous program responsibilities on American Indian reservations. And needless to say, while the Standing Rock Sioux Tribe may differ with these two agencies in terms of the specific amounts the agencies request for their operations on Standing Rock Reservation, the Tribe does support both agencies in their overall efforts to obtain the program funds needed to bring American Indian reservations into the mainstream of national life. For example, the Tribe supports the efforts of the Bureau of Indian Affairs to obtain new funding for the Indian Business Development Grant Program, a Program which is absolutely essential to the development of individual Indian enterprise. Or again, the Tribe supports the continuing efforts of the Indian Health Service to obtain the funds and human resources needed to provide adequate health care on Standing Rock. Serious problems have arisen in connection with the delivery of health services on Indian reservations because of freezes on government hiring. As an analysis based on conventional health care standards reveals, the Standing Rock Service Unit of the Indian Health Service is grossly understaffed with key medical personnel. Freezes on government hiring exacerbates personnel shortages; e.g. nurses, lab technicians, etc. In turn, these shortages exacerbate the problems faced by reservation Indian people in obtaining adequate health care.

The problems of being required to obtain formula grant

funds through states, due to the jursidictional issues, plus the perplexing situation of Standing Rock being in two states with different standards, creates an onerous situation.

As was stated earlier, the Standing Rock Sioux Tribe recognizes that there are just so many federal dollars and that many people are seeking them. But it hopes that this Committee recognizes some of the overall funding and human resource problems faced by the Bureau of Indian Affairs and the Indian Health Service and examines possibilities of improving this situation. "Direct Funding" of programs by other federal agencies will alleviate another very serious problem.

Standing Rock Agency Law Enforcement Services

Proposed Budget - $1,212,994

Over the past ten years law enforcement needs at Standing Rock Reservation have expanded sufficiently to justify a significant increase in the Agency Law Enforcement Services budget. But as the budget history of the law enforcement operation reveals, this has not occurred; chronic underfunding has characterized the annual Law Enforcement budget. As a result of this chronic underfunding, it has not been possible to provide adequate services. In turn, this has led to several tragic outcomes in terms of loss of life and to increased fear and anxiety throughout the Reservation communities.

The failure to provide significant annual increased in the Law Enforcement budget has occurred even though for the past two years the Standing Rock Sioux Tribe's number one funding priority under the zero based Agency budget process has been Law Enforcement Services. Tribal leaders have repeatedly testified to this fact before officials of the central office of the Bureau of Indian Affairs. And they have repeatedly urged a substantial increase in the Law Enforcement Services budget.

Utilizing a nationally accepted formula to determine law enforcement needs, Mr. Henry Gayton, former Agency Special Officer and Law Enforcement Services head, developed an appropriate Law

Enforcement budget for FY 1981. Mr. Gayton's budget analysis called for a total outlay for law enforcement operations of $1,212,994. However, the Bureau of Indian Affairs' FY 1981 request for Standing Rock Law Enforcement Services was only $514,800. The difference reveals a significant difference in the two figures. The project 1982 budget is for $650,600 still leaving an unmet need. We believe consideration should be given to the budget figure indicated in Mr. Gayton's budget figure.

Little Eagle and Bullhead Elementary Schools

Proposed Construction Budget, Little Eagle - $3,087,700

Proposed Construction Budget, Bullhead - $2,807,200

A decade has now elapsed since the community leaders of Little Eagle and Bullhead, South Dakota, initiated their efforts to program, design and construct replacement facilities for the two condemned and dilapidated elementary schools in their respective communities. Congress has supported their efforts by providing special appropriation funding for the development of education specifications and full architectural design documents, and the final architectural and engineering contract drawing have been ready for construction bidding since 1977.

Time and again (April 1978, May 1979, October 1979, and February 22, 1980), the Tribe has submitted evidence demonstrating the extreme need for new schools. After years of time and effort, and justification, on the part of the Standing Rock Sioux Tribe and the communities of Little Eagle and Bullhead, South Dakota, the Bureau of Indian Affairs has placed Little Eagle and Bullhead number 2 and 15 respectively on the construction priority list for FY 82 as published in the Federal Register of November 13, 1980.

The construction of these two schools has been and continues to remain the Standing Rock Sioux Tribes highest education development project priority. The high ranking of Little Eagle Day School and the relatively low ranking of the Bullhead Day School by the

Bureau of Indian Affairs makes no sense due to the fact that both school buildings have been condemned and the need is equally great.

The monies requested for construction have been increased by 10% over our 1980 request to Congress to make up for the high cost of labor, construction materials and the high rate of inflation. This percentage rate increase was quoted to us by Mutchler, Lynch and Associates of Fargo, North Dakota, the contractor for the design phase of these two schools.

Your favorable consideration of our request will greatly impact the quality of education on Standing Rock years in the future.

Standing Rock Irrigation Project

Proposed Budget - $2,000,000

In the President's 1981 budget request, $2,000,000 was requested for this project. The amount was later cut to $1,000,000 which we have been informed will be made available in October 1981. This reduction in funding will diminish and delay our efforts to make our land productive.

The project will be located south of Fort Yates, North Dakota, on prime tribal irrigation lands adjacent to the Oahe Reservoir. Recent studies conducted by qualified agricultural engineers have concluded that this project is highly feasible.

The Standing Rock Reservation water resource inventory -- recently completed under a special Bureau of Indian Affairs technical assistance contract -- determined that the Standing Rock Sioux Reservation possesses 303,650 acres of irrigable lands. Furthermore, the Missouri River's Oahe Reservoir -- which has an annual flow by of 19 million acre feet -- forms the Reservation's eastern boundary. When these two facts are juxtaposed, it is clear that the Standing Rock Sioux Tribe has a major opportunity to improve agricultural productivity through irrigation development. It should also be noted that this inital demonstration project, in addition to its positive benefits as

a production unit, will serve as a model for those Indian agricultural producers who wish to improve their own farm and ranch operations through irrigation investments.

Positive economic development opportunities are scarce in the Reservation environment. We believe that our request, if approved, will contribute significantly to our overall efforts to reduce tribal dependency while increasing Reservation productivity.

Improved Outpatient and General Health Care Facilities

Proposed Budget - $957,311

Outpatient facilities at both the Fort Yates Hospital and the McLaughlin Clinic are completely inadequate. Both facilities have less than half the patient examining rooms needed considering the number of medical personnel and amount of patient usage; the dental clinic and the pharmacy at the Fort Yates Hospital have only half the space needed to provide proper services (pharmacy supplies are stored all over the hospital); medical records facilities are grossly short of space; and finally, the physical layout of both facilities requires the prolonged mingling of sick and well in corridors and waiting rooms, a practice which violates minimal standards of medical practice.

The Aberdeen Area Office of the Indian Health Service has recognized and documented these problems. It contracted with the Standing Rock Sioux Tribe to review alternatives for improving the situation; the Tribe initiated this study, utilizing, among other things, outside consultants with expertise on health care delivery.

The full final report on the study has been completed. The results show that renovation and new construction is the only feasible alternative for solving the outpatient and general health care problems; and that $957,311 will be required to bring the McLaughlin Clinic and the Fort Yates Hospital to a proper level of efficiency with respect to handling the growing number of

outpatient visits and doing this in a way that segregates sick from well.

However, through judicious planning, the construction called for in connection with improving outpatient services will do more than solve the outpatient problem. It will also make it possible to bring all of the activities at the Fort Yates Hospital under one roof. No longer will it be necessary to use a trailer as an eye, ear, nose and throat clinic; no longer will it be necessary to use one entrance for both emergency ambulance activities and the delivery of hospital supplies; no longer will it be necessary to store general hospital supplies in a seperate building elsewhere at Fort Yates.

The improvement of health care facilities on the Standing Rock Indian Reservation is one of the most important of Standing Rock's eight special FY 1982 priorities and we strongly urge the Committee to earmark funding for the renovating and new construction required.

Standing Rock Alcoholism Treatment and Prevention Program

Proposed Budget - $245,488

The Standing Rock Alcoholism Treatment and Prevention Program was initiated in 1971 as a pilot project with funding of $76,000 supplied for this program. These funds being used for the salary of a director, one registered nurse to manage the detoxification unit, a secretary, and necessary support costs such as rent, meals for individuals in detoxification treatment, etc. The treatment goals of the alcoholism program are to provide detoxification care and a broad range of counseling services. These goals are being realized through the operation of a detoxification unit and the provision of para-professional counseling services. The preventive goals of the alcoholism program are to provide information on the social undesirability of the sustained use of alcohol and on the diagnosis of alcoholism. These goals are being attained through education presentations

which are carried out on a sporadic basis in all the Reservation communities.

From the beginning, the Alcoholism Treatment and Prevention Program has been forced to rely on tribal manpower programs for staff. Initially, this did not present a problem since the program itself was a pilot project. Increasingly during the past few years, however, it has presented a problem. The alcohol program has become well established and steadily increasing community demands for more educational services as well as individual and family counseling make it mandatory to increase staff professionalism. By the same token, the fact that annual funding for the Standing Rock Alcoholism Treatment and Prevention Program continued at the $76,000 until 1981 when it was raised to $90,000. 1981 dollars buy less than half what 1971 dollars bought.

For FY 1982 the Standing Rock Sioux Tribe is requesting an increase in funding to $245,488 for the Treatment and Prevention Program. Clearly, an increase of this magnitude will eliminate the problems presented by the fact that funding for the program has not increased substantially since 1971. More important, however, funding of this magnitude will enable the Tribe to place the program on a sound professional basis, rather than continuing to rely on tribal work programs for staff. Under the funding called for here, it will be possible to employ permanent staff, provide this staff with professional training, develop a full array of counseling services, and enlarge and improve the present detoxification unit.

Emergency Medical and Ambulance Program

Proposed Budget - $275,000

The tribally controlled Emergency Medical and Ambulance Program was initiated in 1974 and it has become an integral part of the health care delivery system on the Standing Rock Indian Reservation. Program services are available 24 hours a day, 7 days a week and the para-professional emergency medical

technicians providing these services have become a vital link in pre-hospital emergency care. They are trained in various life support treatment activities, including control of bleeding, shock, cardio-pulmonary resusitation, childbirth, burns and bites. In a number of instances, these para-professional technicians have provided life-saving services. For example, one technician succeeded in reviving a patient who was in complete cardiac arrest.

The Emergency Medical and Ambulance Program was initiated and has been maintained through a combination of Indian Health Service and tribal resources. Indian Health Service purchased the Program's three ambulances and the Tribe provided a building to house these vehicles. Similarly, the Indian Health Service provides $42,000 annually for the salary of a program director and such operating costs as insurance, gas, etc.; while the Tribe provides staff for the Emergency Program from tribal work programs.

The Tribe feels strongly, however, that the time has come to provide a separate line-item budget to formally establish and enlarge Energency Medical and Ambulance service on the Standing Rock Reservation. More vehicles are needed; more equipment is needed; and most important, funds to employ and train permanent staff.

We urge the Committee to recognize the importance of this program and assist the Tribe in obtaining the requested funding in the form of a separate line-item budget from the Indian Health Service.

Community Health Representative Program

Proposed Budget - $400,000

Like the Emergency Medical Program, the Community Health Representative Program has become an integral part of the health care delivery system on the Standing Rock Indian Reservation. Community Health Representatives provide services

ranging from home nursing, to administration of standard diagnostic tests, e.g. blood pressure measurement, to the provision of over-the-counter medication, such as aspirin, to providing emergency transportation.

The Community Health Representatives are also charged with staging District Health workshops at which individuals in the reservation communities are acquainted with nutrition and other techniques of disease prevention.

Presently the Community Health Representative Program on Standing Rock Reservation is budgeted at just over $300,000 and it employs 18 people. The additional $100,00 requested here would enable the Tribe to add and provide support to 8 more specialized Community Health Representatives. These specialized representatives would be trained to provide services in the area of maternal and infant health care, and in the area of geriatrics.

We ask the Committee's support for tribal efforts to increase Indian Health Service funding for the Standing Rock Community Health Representative Program by $100,000.

Direct Funding to Tribes

Proposed Budget - none, legislative action only.

The major portion of federal assistance program monies outside the BIA flow to states through the formula grant process. The amount of money provided to each state is determined by the (1) number of people, (2) number of poor people, (3) number of unemployed or some related factor. States are quite willing to count the "poor and needy" Indians in order to get a larger share of the money. In all too many instances the funds do not go to reservations for the people most in need. States say they are quite willing to put programs and services on reservations; however, they do not have jurisdiction on the reservation, cannot be held accountable and so they can't provide the program or services to reservation Indians. There are afew exceptions to this general situation.

The issue for Standing Rock, which is in two states - North Dakota and South Dakota, becomes ludicrous: Even though the Standing Rock Sioux Reservation was established before either of the two states, the amount of state benefit payments is based on state standards. Even general assistance payments made by the BIA are based on state standards, so that amount paid to individuals or families varies according to which states in which they live. In effect, the tribal government has to wear one hat and apply one set of standards in North Dakota and another in South Dakota.

In recent years there have been afew programs which permit Direct Funding to tribes; e.g. Indian Child Welfare Act, Vocational Rehabilitation, and Title VI - Nutrition for the Elderly. However, when the desired result of Direct Funding occurs the programs are generally underfunded which portends an element of failure before the program gets underway. The needs cannot be adequately addressed in these situations. A current example is the Nutrition for the Elderly Program. Title VI permits Direct Funding to the Tribe; Title III flows through the state. At the present time the North Dakota portion of the reservation receives Title VI funds; the South Dakota portion receives Title III. There is not enough money in Title VI to cover the Reservation. This situation requires the keeping of two sets of administrative records and the program contents are different. Yet they both are intended to provide Nutrition for the Elderly.

The solution to the problem is through the legislative process. Tribes could be given equal status with states by amending existing legislation or special legislation providing for Direct Funding to tribes could be enacted. The situation deserves legislative action.

Mr. LAWRENCE. Thank you.

Senator BURDICK. We thank you for appearing this morning.

At this time I would like to insert in the record the statements from United Tribes Educational Technical Center, and Broken Arrow, Inc.

[The statements follow:]

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Statement of the United Tribes Educational Technical Center

The United Tribes Educational Technical Center (UTETC) has learned that its target planning allotment for fiscal year 1982 operations is $1,103,600. This information, obtained from the Bureau of Indian Affairs, was stated as being tentative at this point in time. If this level is subsequently approved, it would not only be a drastic reduction, but additionally it would prove to be insufficient to the point where it would require UTETC to close its doors.

We are aware of the present funding climate encouraging constrained spending and austerity in general, and are practicing the same at UTETC. However, we are equally cognizant that their exists a funding level at which a program, such as UTETC, becomes inhibited in its effectiveness by a lack of financial resources. The present level of funding (FY 1981) for UTETC is $1,312,500. During February of last year, we testified before Congress that this amount was $360,798 short of our identified needs for the current fiscal year.

I feel that it is important to note that the add-on request was based on justifiable grounds, including:

1. Nearly a 15% cut made to the funding level of UTETC as it entered FY 1980.

2. UTETC has a twelve year history and track record of training and serving reservation Indian people from up to 40 tribes throughout the western and north-central U.S. An average of 125 students are turned away monthly because of a lack of space and facilities while the Center is presently operating at a bare maintenance level of support.

3. UTETC serves and is sponsored by the five Indian reservations located in or partially in North Dakota.

4. United Tribes has an integral and important role in continuing "self-determination" by and for American Indians. It is also a major economic contributor via its students, staff and other services to the Bismarck-Mandan area.

The total request of $1,673,298 for FY 1981 was required merely to maintain a consistent (minimal) level of operations for the fiscal year. The fact that the add-on was not approved forced us to further revise and redesign portions of our program to absorb the loss.

If the proposed level of funding is solidified it would result in a 16% cut in monies to UTETC over a one year period. This, added to previous reductions, reflects a 28% decrease in funding for UTETC over a four year term (FY 1979-FY 1982). These dramatic reductions, compounded by inflation, have a definite impact on the level of service UTETC can provide. In view of our track record, I am confident that the service UTETC provides to North Dakota is beneficial. However, to increase effectiveness, or at this point maintain operation, funding must increase. To continue to cut an already lean budget, only serves to

diminish the educational returns to our clientele and jeopardizes effective (minimal) service.

Therefore, we would like to request your assistance in our attempts to increase the projected FY 1982 allocation for UTETC to at least the $1,673,298 amount which we justified in our request for FY 1981. While there are other data and information, we shall send it to you as you may require.

We wish to express our appreciation to you for your past support to UTETC and for your continued assistance and commitment to the future of this organization. If you desire further information on the aforementioned, please do not hesitate to contact me. With kind regards.

STATEMENT OF THE BROKEN ARROW, INC.

My name is Janice Morley. I am Executive Director for Broken Arrow, Incorporated of Grand Forks, North Dakota. Accompanying me is Arthur Raymond, President of the Broken Arrow Board of Directors. While I will present our prepared testimony, he stands ready to respond to questions or to testify if it should be your desire.

Broken Arrow, Inc. is an urban Indian organization incorporated in October, 1972 under the laws of the state of North Dakota as a non-profit American Indian organization. We are a member alliance of the Dakota Association of Native Americans (DANA) which is comprised of five urban Indian organizations throughout the state of North Dakota. We stand in a unique position to help the urban American Indian population of the state of North Dakota with an estimated off-reservation population of 6,000. For the most part these populations exist in poverty because they have the lowest paid jobs or no jobs at all. One of our commitments is to try to bring aid to this population to sustain their option to reside off the reservation.

Presently, Indian Health Service funds forty-one urban Indian health programs across the nation. Of these forty-one urban Indian health programs none exist in North Dakota; none address the unmet health needs of the American Indian families who live off the reservations in North Dakota. North Dakota urban Indians are not included in the tribal specific health plans for 1982. Our area office in Aberdeen does not know why.

It is our understanding that the outgoing administration requested appropriations to maintain the current level of funding for the current forty-one funded projects under Title V of the Indian Health Care Improvement- Act - PL 94-437. This denies any chance of new start programs for applying for funding under the Indian Health

Care Improvement Act and further excludes off-reservation American Indians of North Dakota any opportunity of procuring off-reservation health care services. It should be noted that these off reservation American Indian often stand in a "Catch 22" situation concerning health care benefits. While the Federal Government has made a commitment to the American Indian to provide health care services, the urban Indian does not receive this benefit. When an American Indian leaves the reservation for a period of longer than 180 days, he forfeits all benefits until he establishes residency on the reservation again. Many welfare programs do not extend their health care programs to American Indian under the belief that these health care needs can be met through the reservation programs.

Broken Arrow, Inc. has the organization, administration, staff, and facilities to administer and coordinate a state-wide urban Indian health care service. We have developed initial linkages with the University of North Dakota Medical School's Area Health Educational Center for provision of the service delivery. The Aberdeen Area Office Title V Coordinator as well as Mr. Wes Halsey, Chief Urban Programs for Indian Health Service support our program, but can foresee no guarantee of funding.

Therefore, Mr. Chairman, and Committee members, we respectfully petition your committee to include in the Indian Health Service budget, a specific line item appropriation to address the needs of the urban American Indians of North Dakota. We would request an appropriation of $75,000.00 to conduct a state-wide health needs assessment.

It would take up your time and ours to tell you that our people still suffer the highest rate of unemployment in the state; death at the average age of 44; an infant mortality rate from two to four times the national average--depending upon whose figures one reads; tuberculosis at seven times the state average; a soaring incidence of diabetes with all of its awesome complications five or six times higher than the non-Indian population. We need not go on.

With your help we can begin an advance on these problems. Thank you for your consideration and your help. If I can answer any questions, I shall be glad to try.

STATEMENT OF DENNIS DE FRANCISCO, JR., VICE CHAIRMAN, PAPAGO TRIBAL COUNCIL

ACCOMPANIED BY:
JOHN B. NARCHO, TRIBAL MEMBER
ANGELA AJOAQUIN, TRIBAL MEMBER
HARRY ATRILLO, TRIBAL MEMBER
LARRY GARCIA, TRIBAL MEMBER

Senator BURDICK. I understand that the witnesses at the table now represent the Papago Tribal Council.

Mr. DE FRANCISCO. Yes; Mr. Chairman.

Senator BURDICK. Proceed as you wish.

Mr. DE FRANCISCO. Good morning, Mr. Chairman and committee members. I want to thank you for your time.

My name is Dennis De Francisco, Jr., and I am vice chairman of the Papago Tribal Council. Accompanying me to testify at the fiscal year 1982 appropriations hearing are four members of the Papago Tribal Council. These members are Mr. John B. Narcho, on my far left; Angelea Ajoaquin, on my immediate right; Mr. Harry Atrillo, on my immediate left; and Mr. Larry Garcia, on my far right.

We have submitted to your committee a summary of our requests. We have also submitted some backup documents, which contain detailed information on our request.

I now want to turn the mike over to Mr. John D. Narcho.

Senator BURDICK. Do you want that request to be made a part of the record?

Mr. DE FRANCISCO. Yes.

[The information follows:]

SUMMARY—SPECIAL APPROPRIATIONS REQUEST FOR PROJECTS AND PROGRAMS, FISCAL YEAR 1982

The Papago Tribe of Arizona is submitting to the Congress of the United States a request for special appropriations for projects and programs on the Papago Indian Reservation for fiscal year 1982. Representing the Papago Tribe to provide testimony on the request are Papago Tribal Council members Harriet Toro, Angelo Joaquin, John Narcho and Larry Garcia, Papago Tribal Council Vice Chairman Enos Francisco Jr.

First Priority
EDUCATION
$11,179,000

Santa Rosa Boarding School
Repair of middle school facility
$2,000,000

Structural damage to the building has rendered the facility unusable, displacing 250 students and 18 teachers. Engineers have recommended the construction of a steel superstructure to add support to the building, thereby making it safe for its intended educational use.

San Simon Elementary School
Completion of second phase construction
$6,000,000

First phase construction of the facility has provided classrooms, kitchen and cafeteria, administration offices, six houses and street and utility service. To make the school a truly effective educational facility for the isolated western part of the Papago Reservation, second phase construction should be completed. Included would be additional streets and utility service, 45 housing units, an instructional materials center, a dormitory for students.

Early Childhood Head Start
Construction of education centers
$1,079,000

In order to meet the needs of early childhood education in four Papago Reservation communities, it is proposed that three new educational centers be built and a fourth renovated. The facilities would allow young Papagos to develop a basic educational foundation, which is a concept sorely needed by reservation children just beginning their education.

Pisinemo Library/Media Center
Construction of facility
$320,000

Because of their generally isolated existence, Papagos have a special need for community library service. The proposed construction of a library in the western reservation village of Pisinemo will give residents as well as members of nearby communities the opportunities afforded by such a facility.

Youth Recreation Center
Construction of facility
$1,780,000

The lack of recreational facilities in any form is a glaring mark on the Papago Reservation. The proposed center at Sells, Arizona would be the first ever on the reservation, providing recreational, educational and social activities for many young Papagos.

Second Priority
HEALTH
$39,787,232

Hospital
Construction of new facility
$27,280,820

The Indian Health Service hospital at Sells, Arizona that serves the Papago Reservation has undergone continual renovation in an effort to effectively meet the medical needs of the Papagos. The situation has reached a point where renovation no longer can satisfy the purpose the hospital was intended to serve. Construction of a new hospital is proposed to meet the reservation's growing medical needs.

Dialysis Satellite Center
Construction of new facility
$272,000

The number of Papagos requiring dialysis treatment is increasing steadily. Currently such treatment can only be gotten at off-reservation medical facilities, typically requiring a dialysis patient to spend an average of 16 hours a day in travel and treatment time three days a week. A dialysis center on the reservation would remedy the problem.

San Lucy Clinic
Construction of facility
$762,584

The isolation of the San Lucy satellite reservation from large Indian Health Service medical facilities has made health care for that community an uncoordinated, inconsistent and sporadic effort. A permanent health facility would do much to alleviate the pressing medical needs of that community.

Papago Nursing Home
Construction of facility
$4,493,440

Elderly Papagos requiring the services of a nursing home are now placed in off-reservation facilities, but a large number that could benefit from such service refuse to leave the reservation. A nursing home built at Sells, Arizona would remedy stressful situations created when the aged are sent off the reservation to nursing homes where the Papago culture, traditions and language are alien.

Special Learning Center
Construction of facility
$5,000,000

The only reservation program that provides services to mentally handicapped children and adults of the Papago Tribe, the Papago Special Learning Program, is housed in a 10-year-old, dilapidated doublewide trailer that has trouble meeting safety standards. A new permanent facility is proposed so the program can better serve and accomodate clients.

Children's Home
Construction of facility
$887,550

Papago children who become victims of parental neglect, abuse and other family crisis matters are now referred to a facility made up of two rented houses that weren't designed for use as a child crisis center. The construction of a new facility is proposed so better care can be provided and more children accomodated.

Rehabilitation Center
Construction of facility
$1,110,840

Alcoholism is recognized as one of the major health problems among the Papago people. An existing rehabilitation center at Sells, Arizona has become too small to serve the Papagos in need of the comprehensive service provided by the facility. The construction of a larger and modern center to treat Papagos suffering from chronic alcoholism is proposed.

Third Priority
ROADS
$6,385,000

Road Construction
$6,385,000

The Papago Reservation spreads over 4,000 square miles, so a good road system is vital to the many Papagos whose livelihood depends greatly on traveling on the reservation. Of the 749 miles of traveled roads on the reservation, only 297 are paved miles, and of the 290 miles of school bus routes, only 130 are paved. It is proposed that money be appropriated to provide for 48 miles of new road construction that will tie six villages to existing state routes, and improvement of 22 miles of heavily traveled highway.

Fourth Priority
HOUSING
$1,500,000

Home Improvement Program, BIA
Construction of homes
$1,500,000

Housing conditions on the Papago Reservation are among the poorest of any group in the nation. About 85 per cent of the reservation's homes are well below the minimum national standard, and about 35 per cent are deteriorated to a point that they are considered an immediate threat to the health and safety of their occupants. To help remedy the problem, the Papago Tribe proposes that $1.5 million be appropriated to the reservation's Bureau of Indian Affairs' Home Improvement Program for new home construction.

Fifth Priority
AGRICULTURE
$645,520

Comprehensive Education Program
$14,400

The cattle industry is one of the main industries on the Papago Reservation, and managing a herd in the drought-ridden desert area requires a thorough knowledge of range management and livestock husbandry. The purpose of the proposed project is to carry an effective education program to each of the reservation's 11 districts to teach the principals of range land management and livestock husbandry.

Preservation and Development of District Rangelands
Preservation and Development of District Rangelands
$550,000

In order for the Papago people to gain the utmost from the reservation cattle industry, the basics of range management must be understood by ranchers reservationwide. To ensure that Papago ranchers have ample opportunity to familiarize themselves with those basics, the Papago Tribe proposes that demonstration plots be established throughout the reservation so members of each existing district on the reservation can be exposed to proper, successful techniques of range management.

District Range Management Trainees
$81,120

Improvement of range conditions on the Papago Reservation is essential to the reservation cattle industry. An education process must be implemented at a very local level. For this reason, the Papago Tribe proposes that such an education process involve individuals from local districts to work as trainees, eventually providing information to ranchers about range management.

Sixth Priority
COMMUNITY DEVELOPMENT
$5,978,000

Water, Waste Water, Solid Waste, Operations
$5,978,000

One of the most basic needs of any community is sanitation, and that holds true on the Papago Reservation. Because homes on the reservation are so widely dispersed, the introduction and maintenance of water systems and waste management systems have been given inadequate attention. This has left the tribe with inadequate facilities in the following areas: water systems, wastewater systems (sewage), solid waste systems, and operation and management of existing systems. Since the situation has progressed to a point where immediate action is necessary to prevent serious health and sanitation problems, the Papago Tribe proposes that a special appropriation be made to remedy the problem.

Seventh Priority
JUSTICE
$743,600

Satellite Courts
Construction of facilities
$743,600

The vast distances between population centers on the Papago Reservation make the dispensing of quick and fair justice by the Papago Tribal Court a very difficult task. The court, though located in Sells, Arizona, the reservation's capitol, is distant from many villages that it purports to serve. To remedy the situation, it is proposed that four satellite courts be established in separate geographical areas of the reservation to judge civil, criminal, traffic and juvenile matters brought before the court.

Eighth Priority
LAW ENFORCEMENT
$2,506,148

Upgrading Officer Standards
$47,000

Training for 28 Papago Police Department officers so they can meet Arizona Law Enforcement Officer Advisory Council standards.

Upgrading Officer Pay
$88,648

Once the 28 officers of the Papago Police Department are trained so they can meet state standards, they should be paid the present state standard for law enforcement officers who meet the requirement. The appropriation would make up the difference between the reservation officers' current pay and the present state pay standard.

Patrol Vehicle Acquisition
$120,000

Since much of the Papago Reservation road system consists of unimproved and unpaved roads, special vehicles are required for rescue, surveilance and off-road patrolling. It is proposed that ten fully equipped four-wheel drive vehicles be purchased to meet the need.

Multi-purpose Law Enforcement Center
Construction of facility
$1,850,000

Currently, a 1,200 square foot building serves as jail, communications center, police offices and tribal court. The building is antiquated and crowded. It is proposed that a new facility involving 10,000 square feet be constructed to accomodate the various programs currently ongoing in the old facility.

Contractual Services
$400,000

In order to meet the operational needs of the Papago Police Department, the Papago Tribe proposes that $400,000 be appropriated to pay for salaries, benefits, equipment, training, supplies, insurance, and detention and dispatching services for the tribal police force.

Ninth Priority
FOOD COMMODITIES
$900,000

Commodity Food Warehouse Renovation
$900,000

Tenth Priority
ECONOMIC DEVELOPMENT
$2,805,000

Livestock Complex Operation - $100,000
Slaughterhouse/Meat Packing Plant - $700,000
Human Resources Development - $5,000
Multi-family Rental Apartments - $2,000,000

Eleventh Priority
PLANNING
$180,000

Papago Research and Planning Office - $180,000

Twelfth Priority
TELECOMMUNICATIONS
$1,300,000

Telecommunications Center Construction - $1,300,000

Continuing Appropriation
PAPAGO FARMS DEVELOPMENT PROJECT
$8,747,108

Mr. NARCHO. The problem with the tribal council this year was the boarding school. This boarding school was completed in 1975 at a cost of $4 million. It has been repaired in 1977 and 1978. There is extensive cracking of the concrete structure, the roof of concrete slab, roof beams, and concrete.

In 1980 the firm of Stern, Rogers came and did a structural evaluation of the school and ordered it to be condemned. This was condemned in August of last year.

This is a structure that has over 56,000 square feet, and it is a little over 5 years old, and it has already been condemned by the structural engineers.

It has displaced 257 students. They had to put up makeshift classrooms in the elementary school gym. They had to convert one dormitory to a classroom.

It also had an effect on the teaching facilities and the dropping of some of the curriculum in some of the school systems, such as arts, science, PE, shop, music, and so forth.

So the BIA has given us a rough estimate of moneys. We would like to have $2 million. We have asked the Bureau of Indian Affairs to repair this. They say there is no money within their budget for this type of repair. Two million dollars.

Thank you.

Ms. AJOAQUIN. Briefly, I would like to state that the Papago Tribe would like to request that the San Simon Elementary School, located on the western isolated part of our reservation be continued and that phase 2 of this school be constructed. It's estimated at $6 million. The BIA had proposed it be built in two phases but have not lived up to that. To the overcrowding, it started out with 131 students. They now have an enrollment of 235. Just one example of the problem they have in overcrowdedness, there's a lack of bathroom facilities. For 100 boys and girls, there's just two bathrooms for them. They have accident rates which the parents are complaining about.

Thank you.

Senator BURDICK. Thank you.

Mr. GARCIA. Mr. Chairman, the Tribal Council has selected for their second priority, a new hospital. We presently have a hospital now that's 20 years old, that was built in 1959. Our population at that time was approximately 9,000. We now have 15,000 in our enrollment. Therefore, the hospital that was built in 1959 is very small, compared to the population now. The one that we're requesting would double the square feet. We've got all kinds of trouble that I'm sure you're aware of, of what problems occur when a facility like that tries to serve 14,000 people. Currently, we have 33,000 people that have registered at the hospital, who have received in one way or another inadequate health care. So we are requesting a new hospital.

Thank you.

Senator BURDICK. Thank you.

Mr. ATRILLO. Senator, and the committee, the Papago Tribe is asking for a dialysis satellite center. The rate of diabetes among the Papago people is approximately 50 percent of the total of the population of 15,000. The Indian Health Service has projected that due to the high

rate of diabetes, the rise of dialysis patients will double from 14 now to 2,230 patients in 6 years. Each patient spends 16 hours in travel and treatment three times a day. We need a center in Sells to lighten the rigorous schedule of each patient.

The Dialysis Foundation of Southeastern Arizona is willing to provide funding for 3 years for the staff to train the Papago people to run the dialysis treatment center, and they're also willing to provide the equipment. And the cost of the facility is $272,000.

Senator BURDICK. Thank you. You just made it.

Mr. DE FRANCISCO. Thank you, Senator.

STATMENT OF JUDY KNIGHT, CHAIRPERSON, UTE MOUNTAIN TRIBE ACCOMPANIED BY ERNEST HASS, TREASURER OF THE COUNCIL

Ms. KNIGHT. Good morning. My name is Judy Knight. I'm the chairperson of the Ute Mountain Tribe. With me I have Mr. Ernest Hass, who is the treasurer of our council.

I want to thank you for giving us this time this morning to appear before you.

What we have is, we are asking for additional funds of $58,000 from the Bureau of Indian Affairs. If you will look on the second page, it is broken down.

Tribal courts is $15,000. Just briefly, this is for an associate judge. Right now we have a chief judge, but we really need an associate judge.

Our reservation extends into Colorado, New Mexico and Utah. In the Utah portion of our portion, we have 300 members that live there. At this time they do not have the services, our law enforcement services. We have taken the 638 contract, and we've had it for 5 years. We've always been short of funds for this program. This is also badly needed, because our White Mesa area in Utah does not have these services, and right now we are having—you know, we're doing the best we can with what we have, but this would help us.

And scholarships. Education has always been one of our main priorities, because we realize that education is important for our youth and will be able to help our tribe. So education is our main priority, realizing that our youth are our future.

We now receive $65,000 on what is called a Brunot agreement. We made an agreement with the State of Colorado some years ago, and this $65,000 comes from the rights protection funds of the Bureau. Each year, we get this very late in the year, and we cannot plan efficiently. We sometimes think we're not going to get it. Like I said, we get it late in the year. We would appreciate it if this could be put in our base.

Ms. RICHARDSON [presiding]. The Congress does not get involved in the band analysis, as far as what is not banded and what is in a tribe's base. Have you discussed this with the Bureau?

Ms. KNIGHT. Yes; we have. And we've asked that this be done. And there's another $50,000. We're asking for a resident child facility on our reservation. Right now we do not have this. And our youth have to be placed in the Cortez, Colo., area, which is about 15 miles from our reservation. And we really need this.

Under Indian Health Services, we are asking for $210,000 for our alcoholism program. This would allow us to hire three additional

counselors and support costs. Also, emergency medical services. Like I said, we are about 15 or 20 miles from Cortez, and we have experienced excessive loss of life there. This would provide for an ambulance, and this would also give services to our White Mesa, Utah, area.

The last thing is water tank improvements. We have a 1-million-gallon water storage tank for Towaoc. This present tank needs to be lined with plastic to preserve the metal and stop leaks. If this isn't done, we will need to buy a whole new tank.

Ms. RICHARDSON. What would be the cost of replacement of the tank?

Ms. KNIGHT. We are asking for $50,000.

Ms. RICHARDSON. Do you know how much it would cost if you didn't do this, and the whole system had to be replaced?

Ms. KNIGHT. It would be a lot more than $50,000.

That is briefly what we are asking for. If you have any questions, we'll be glad to answer.

Ms. RICHARDSON. The Indian Health Service started funding alcoholism programs because they'd been transferred from NIAAA after 6 years of support by NIAAA. And funds, of course, have been provided each year only for the additional transfer of the programs. We had been trying to encourage NIAAA to continue funding new programs and increased efforts.

Have you approached NIAAA?

Ms. KNIGHT. Not at this point.

Ms. RICHARDSON. Do you have an existing alcoholism program?

Ms. KNIGHT. Yes; it's all under Indian Health.

Ms. RICHARDSON. But it was originally funded by NIAAA?

Ms. KNIGHT. It was originally funded by NIAAA, yes.

Ms. RICHARDSON. Thank you very much.

Ms. KNIGHT. Thank you for your time.

[The statement follows:]

STATEMENT OF THE UTE MOUNTAIN UTE TRIBE

My name is Judy M. Knight, Chairperson of the Ute Mountain Ute Tribe. I bring you greetings from my people and wish to express my appreciation for the opportunity to appear before you and testify.

Whereas, we believe in and support the Band Analysis concept of budgeting it appears that due to a limited Base and cost increases caused by inflation we are never able to adequately fund the Bureau of Indian Affairs programs which we operate under P.L. 93-638.

In addition, we strongly support and believe in the efforts of this Congress and the Reagan administration to bring inflation under control. For this reason we have carefully reviewed the Band Analysis we submitted for FY 1982 and feel we can tighten our belt in most programs and operate with the Base amount or tentative allocation.

However, inflation is going to cause us problems in three programs requiring additional funds over the tentative allocation in order to adequately provide Bureau services to my people. These operating increases only amount to $58,000 but are minimum increases needed. These are shown as follows for the Bureau of Indian Affairs Indian Services appropriations:

TRIBAL COURTS. $15,000

This amount will allow us to hire an Associate Judge and provide necessary training. This will be a tribal member who will support our Chief Judge, a non-Indian, and provide her with valuable insight into Indian ways as well as relieve her busy schedule by handling many of the cases.

LAW ENFORCEMENT SERVICES. $23,000

We have operated the Ute Mountain Tribal Police Department for five years now and have always been short of funds. However, it is getting more professional every year and we are very proud of our

Police Department. This amount will allow us to hire one Jailer to provide complete coverage. The balance will be used to provide adequate vehicle operating costs for our Department.

SCHOLARSHIPS. $20,000

Here again, rising costs have forced us to restrict scholarship grants for higher education for our young people. This is desperately needed to prepare these young people to adequately administer the affairs of the tribe in the future and compete in today's economic scene.

We have one final request which does not involve an increase of funds. It is also one which we have made before to the Congress. This involves getting the $65,000 which we receive every year from Rights Protection funds of the Bureau placed in the Base amount of our Band Analysis. Every year we finally receive the funds late in the year after worrying whether we will get it or not. If these funds were placed in the Base amount of our Band Analysis we could do a more adequate job of planning ahead for this vital program needed to carry out our responsibilities under the Brunot Treaty with the State of Colorado.

Finally in the Bureau of Indian Affairs Building and Utility appropriation we request $50,000 in planning funds in FY 1982 to provide a Resident Child Facility on the Ute Mountain Reservation for our Indian children who are now being sent away from the reservation because of deviant behavior. We have been working toward this for several years now and feel it is timely to implement this.

Next, under the Indian Health Service appropriation we are asking $210,000 additional funds to supplement the ongoing programs which are essential to my people.

ALCOHOLISM PROGRAM. $66,000

We presently have a small program which has been funded at the same level for six years. We have been unable to make a significant impact on family problems caused by alcohol abuse. This amount will allow us to hire three additional professional counselors and support costs.

EMERGENCY MEDICAL SERVICES. $94,000

The tribe presently owns an ambulance which is manned by the Tribal Police Department. The Police only are trained in First Aid. Thus on the approximate twenty mile run to the hospital we have experienced an excessive loss of life. This amount will provide an additional ambulance, professional staff and support costs for both White Mesa and Towaoc to provide these services.

WATER TANK IMPROVEMENTS. $50,000

This amount will renovate the one million gallon water storage tank for Towaoc. This provides domestic water for the community. The present tank has been in service for years and needs to be lined with plastic to preserve the metal and stop leaks. If not done, the entire tank will need to be replaced in a few years.

Thank you for this opportunity to present this testimony at your hearing. Your favorable consideration of these requests will be appreciated.

STATEMENT OF ELMER BLACKBIRD, CHAIRMAN, OMAHA TRIBAL COUNCIL, OMAHA TRIBE OF NEBRASKA

ACCOMPANIED BY:
MARK MERRICK, VICE PRESIDENT, TRIBAL COUNCIL
HOLLIS STABLER, MEMBER OF THE COUNCIL

Ms. RICHARDSON. The Omaha Tribe of Nebraska. Mr. Blackbird.

Mr. BLACKBIRD. Madam Chairperson, members of the subcommittee, I'm Elmer Blackbird, chairman of the Omaha Tribal Council, of the Omaha Tribe of Nebraska. I'm testifying on behalf of the Omaha Tribe, in support of the Bureau of Indian Affairs budget request for fiscal year 1982. With me are two members of our council. On my right Mr. Mark Merrick, our vice president; on my left, Mr. Hollis Stabler, council member.

Since the Omaha Treaty of 1854 with the United States of America, there has been much controversy on the eastern boundary of the reservation, originally fixed and agreed upon at the center of the Missouri River as the boundary line. At the time of the treaty, the Missouri River flowed around what is known as the Blackbird Bend, Ox Bow. Due to activities begun in the 1940's, prior to World War II, by the Army Corps of Engineers, to control the width and depth of the Missouri River for navigation purposes, the Ox Bow was completely severed from the original reservation land base. This severed area became part of the Iowa side of the reservation land base, and the exposed river bottom became farmable, and the non-Indians occupied this land and farmed it.

Last year the *Omaha Tribe* v. *Wilson*, the Omahas regained title to the Blackbird Bend area, representing 2,962 acres, by pursuing litigation all the way to the Supreme Court. About 2,100 acres is farmable. As determined by the surveys conducted in conjunction with the *Wilson* case about half of this farmable land, or 2,100 acres, approximately 1,000 is sandy soil in character due to lack of water. One thousand acres of land. Our crop yield was low.

In order to reverse this trend, water by irrigation must be supplied to crops during the summer.

At shallow depths of 50–60 feet underground, there is water that can be supplied to the surface. So we need an irrigation system, a sprinkler system, which is commonly practiced by non-Indian farmers in that vicinity. So we are asking to sustain the appropriation made in this budget.

Ms. RICHARDSON. Is this $900,000 the total cost of this system?

Mr. BLACKBIRD. Yes.

Our next request is the construction of a new detention center. The present facility that serves as our jail and the offices of our law enforcement is in extremely bad condition. And to put people in this facility jeopardizes their well-being. It's unsafe, and it's below health standards. In fact, the Bureau of Prisons and the Department of Health Services has condemned this building. To continue use of this facility, we feel would be cruel and unusual punishment and inhumane treatment of the people who are placed in this facility.

With new facilities, it would upgrade the physical safety standards which are desperately needed in our detention center.

A moment ago, I mentioned that the Omaha Tribe had won back some land in the Blackbird Bend area. The tribe needs additional funds to continue its land claims and litigation. There's another 8,000 acres of land that's in question, that we would like to reestablish title to these acres in question, continue the litigation and settle both issues legally and morally. So we are asking the subcommittee to support our effort in all these three critical areas, included within the Bureau of Indian Affairs budget for the fiscal year 1982. This would decrease our dependency on the Federal Government and State resources and be a step toward economic self-sufficiency, and also would provide an economic base on which the tribe could strengthen its Indian self-determination efforts.

This concludes our testimony. We thank you for your time.

Ms. RICHARDSON. Thank you, Mr. Blackbird.

[The statement follows:]

Statement of the Omaha Tribe of Nebraska

INTRODUCTION OF WITNESS.

Mr. Chairman, Members of the Subcommittee, I am Elmer Blackbird, Chairman of the Omaha Tribal Council for the Omaha Tribe of Nebraska, testifying on behalf of the Omahas in support of the Bureau of Indian Affairs' Budget Request for Fiscal Year 1982, which contains monies that would directly benefit the Tribe. With me are two members of the Tribal Council: Mr. Mark Merrick, Vice-Chairman, and Mr. Hollis Stabler, Council Member.

REQUEST.	Amount
1) Irrigation Construction: The Omaha Tribe wishes to farm 2,100 acres of the Blackbird Bend area which requires irrigation. Construction of an irrigation sprinkler system would increase current low crop-yields, thereby increasing our Tribal economic base.	$ 900,000
2) Construction of Detention Center: Inclusion of these monies will enable a new Detention Center to be constructed. The present facility is physically unsafe and unhealthy. A new facility will up-grade both physical and safety standards.	$ 773,000
3) Sustain Land Claims Litigation: The Tribe requires this amount of monies to sustain continuing land claims litigation. At issue is 8,000 acres in the Monona and Mission Bend areas that rightfully belong to the Omahas. Litigation of these 8,000 acres in question will settle this issue legally and morally.	$ 150,000
Total Requested:	$1, 823,000

TEXT

IRRIGATION CONSTRUCTION: Since the Omaha Treaty of 1854, with the United States of America, there has been much controversy regarding the eastern boundary of our Reservation, originally fixed and agreed to as the center of the Missouri River. At the time of our Treaty, the Missouri River flowed around what is known as the Blackbird Bend Oxbow. However, due to the activities begun in the 1940's just prior to World War II, by the Army Corp of Engineers to control the width and depth of the Missouri for navigational purposes, the oxbow was completely severed from our original Reservation land base. This severed area, as a result, became a part of the Iowa side of the Missouri River. The severed land area and the now exposed river bottom became farmable land and non-Indians moved onto the Blackbird Bend Oxbow and commenced farming it.

Last year, in Omaha Tribe v. Wilson, the Omaha regained title to the Blackbird Bend area, representing 2,962 acres, by pursuing litigation all the way to the Supreme Court. At least 2,100 acres of this area is farmable. Approximately half, 1,000 acres of the 2,100, is sandy in character, as determined by soil surveys conducted in conjunction with the Wilson case. Inspite of this condition, crops, primarily corn and soybeans are planted. However, during the hot dry summer months, these crops suffer from lack of sufficient water; resulting in low crop-yields.

In order that this trend may be reversed, water by irrigation must be supplied to the crops during the summer months. The soil survey studies further indicated that water is available at shallow depths of 50 - 60 feet under the ground and can be supplied to the surface. However, to be able to do would be through irrigation efforts of a sprinkler system, as is the common practice by non-Indian farmers in our vicinity.

CONSTRUCTION OF DETENTION CENTER: The present facility which serves as the jail is in extremely bad physical condition. To put people in this facility jeopardizes their physical well-being since the building is virtually unsafe and

well below health standards. The purpose of the Detention Center is to provide protective custody of persons endangering themselves and the community. However, this purpose cannot be served since the facility is deteriorated to the point of further endangering the health and welfare of such persons.

Continual use of this facility results in cruel and unusual punishment and borders on inhumane treatment. A new Center will provide the necessary up-grading of the physical and safety standards so desparately needed.

SUSTAIN LAND CLAIMS LITIGATION: The Omaha Tribe requires additional funds to continue its land claims litigation. In the past, the Omahas have been successful by winning the Blackbird Bend land claims. However, there is another 8,000 acres in question that the Omahas urgently wish to settle. The 8,000 acres at issue concern the Monona and Mission Bend area. These areas, once a part of the Omaha Reservation, were moved onto by non-Indians who have been farming this land for the past 50 - 60 years. The Tribe feels a strong need to re-establish title to these acres in question through proper litigation in order to settle this issue both legally and morally.

CONCLUSION:

We are asking that this Subcommittee support our effort in all three of these most critical areas and to include the $1,823,000 dollars within the Bureau of Indian Affairs Budget Request for FY '82.

To do so, will enable the Omaha Tribe to:

1) Begin to decrease its dependency on federal government and state resources and to develop our own.

2) Allow the Tribe to take a step toward economic self-sufficiency.

3) Begin to provide ourselves with an economic base in which the Tribe can strengthen its Indian self-determination efforts.

Thank you very much. This concludes our entire statement. We would be please to answer any questions you may have.

STATEMENT OF PERRY SUNDUST, CHAIRMAN, PHOENIX SERVICE UNIT, INDIAN HEALTH ADVISORY BOARD, ARIZONA

ACCOMPANIED BY NELLIE CLAH, BOARD MEMBER

Ms. RICHARDSON. The Phoenix Service Unit. Mr. Sundust.

Mr. SUNDUST. Good morning. My name is Perry Sundust. The lady with me is Nellie Clah. We are members of the Phoenix Service Unit, Indian Health Advisory Board, Inc. We represent six small tribes. There are four members on the board. We're the largest in the Southwest, and we deal with patients surrounding the communities and surrounding the reservations in the State of Arizona.

So we're here to testify. I guess one of the things, probably the main thing, in the speech of the President last night, there is a sure cut in appropriations; however, we are still looking forward that the committee would look closely in cutting the IHS appropriation.

We're the primary health provider for the Indians in the area, so we felt that this would be helpful to the future of the IHS in the coming years.

Because of the rising costs of health care, particularly in the Phoenix area, is much higher, and because the legislature of the State of Arizona didn't pass the medicare, the costs are so high, because of the State of Arizona legislative action. It doesn't help so much. And the cost of health care is much greater.

For that reason, I guess contract care will be much higher this year, hopefully, in the State of Arizona, that's including the bill that just passed—DeConcini's passage—declared the State of Arizona as for health care for the Indian people. We support it very strongly; however, I understand the House didn't pass that.

The other areas that we talked about are that the Indian Health Service should be mandated to assure that the most effective use of its resources in a manner consistent with the goals of Indian self-determination and in a manner that would have the greatest positive impact on the tribes.

The other problem that we faced in the past few years is that the IHS review its policies and directives to improve overall IHS administration of the budget allotments for each IHS area office. This includes the outside evaluation of the IHS central office and would include the evaluation of IHS area offices as well. While we feel that, at best, IHS has been severely hampered by insufficient funding, IHS must evaluate its present fiscal management policies, in order to make the most meaningful decisions on the use of existing resources, particularly when funding is restricted.

Ms. RICHARDSON. Are there specific problems you have in mind?

Mr. SUNDUST. I think the relationship with IHS and the Indian tribes, at the contract level, the 638 contracts, we talked about other contracts, that we have talked about. They do have the problem of contracting because of insufficient funds and other things.

Ms. RICHARDSON. So primarily in the contract areas?

Mr. SUNDUST. Yes; the contract. Also direct care from the central office to the area office. It is felt that maybe it is a management problem, how we can work that out to date. And particularly, the Phoenix area office has been a problem. The central office we're talking about here. We're asking that those be much improved. In that system the policy could be changed or whatever. That's the areas that we feel it's very important for the Indian people out there on the reservation level.

Here again, the overall relationship, the involvement of Indian tribes have more input before a real partnership has evolved. That's the areas that we look into, and the problems that we face.

Thank you.

Ms. RICHARDSON. Thank you very much.

[The statement follows:]

STATEMENT OF THE PHOENIX SERVICE UNIT INDIAN HEALTH ADVISORY BOARD, INC.

Brief Summary

We are requesting that the Committee: (1) Refrain from cutting Indian health appropriations affecting direct patient care. (2) Require IHS to utilize existing resources in the most efficient and effective manner possible in order that the Indian people receive the most impact. (3) Any IHS budget cuts that are deemed necessary should be coordinated with Indian input and include meaningful Indian involvement in the process of determining which health programs are to be cut. Such Indian involvement should be mandated by Congress to ensure IHS implementation of such.

Mr. Chairman and Committee members:

My name is Perry Sundust and I am Chairman of the Phoenix Service Unit Indian Health Advisory Board in Arizona, and accompanying me is Board Member Nellie Clah and staff member Arlene Good Thunder, Executive Director. We are pleased that the Committee allowed time for our testimony.

The Indian Health Advisory Board that I am representing today, is composed of tribal representatives from seven central Arizona tribes including Indian members representing the Phoenix metropolitan area. The primary role of the board is to communicate and advise the Indian Health Service (IHS) Phoenix Service Unit on the health needs of the service unit population.

We are here today to ask the Committee to consider the health needs of Indians in the Phoenix area specifically those receiving care from the Phoenix Indian Medical Center. We realize that the present administration in Washington is considering decreased funding in specific health areas and we would like the Committee to note the urgency of maintaining Indian Health appropriations and if at all possible to increase the level of funding allocated direct care programs. Our reasons for this concern are as follows:

1. In the Phoenix Area, the Phoenix Indian Medical Center is the primary health provider for Indians in the area, and as such is heavily utilized for inpatient and outpatient services. In addition, other outlying Service Units refer patients to the Phoenix Indian Medical Center which increases the patient workload at the Indian Medical Center which is inadequately staffed to handle the influx. The demand for health care has greatly exceeded the supply of health care services provided by the Indian Medical Center.

2. The rising cost of health care has risen due to inflationary factors beyond control. The cost of health care in Phoenix is much higher than the outlying areas because the health services provided are of a specialized nature and are therefore more costly. Further, providers of specialized health services are located in an urban setting like Phoenix which also results in a higher cost per unit of service for the Phoenix area. It has been evidenced that the cost of purchasing medical care has accelerated faster than Indian Health Services' resources and financial ability to provide health care services.

3. Despite attempts to pass Medicaid legislation in the State of Arizona, the absence of any health legislation for provision of care to the medically indigent remains absent. The Arizona counties have attempted to meet the needs of the medically indigent but reports indicate that those counties are experiencing deficits in the millions of dollars. Even so, counties have usually deferred health care of medically indigent Indians to the Indian Health Service.

We realize that some budget cuts may be necessary in order to balance the budget but we request that any cuts not be made on Indian Health Service appropriations affecting direct patient care. It is vitally important that this be avoided so as to protect the health care provided Indians at the present. We are willing to do our share in assuring that the available resources for the provision of health care be utilized efficiently and in the most effective manner possible in order that the Indian people receive the most benefit at the local level. It is because of our willingness to assist the Committee that we submit the following recommendations:

1. The Indian Health Service should be mandated to assure that the most effective use of its resources are being utilized in a manner consistent with the goals of Indian Self-Determination and in a manner that would have the greatest positive impact on the tribes.

2. That the IHS review its policies and directives to improve overall IHS administration of the budget allotments for each IHS Area Office. This would include an outside evaluation of the IHS Central Office and would include evaluation of the IHS Area Offices as well. While, we feel that, at best, IHS has been severely hampered by insufficient funding, IHS must evaluate its present fiscal management policies in order to make the most meaningful decisions on the use of existing resources, particularly when funding is restricted. For example, more emphasis should be placed upon the transfer of Indian health programs to Indian tribes and Indian organizations so that Indians may take a more meaningful role in assuming the responsibilities of delivering health care services. Rather than assisting tribes with assuming these health responsibilities, IHS spends more time and resources in other directions. IHS must redirect its overall efforts toward more Indian input and involvement before a real partnership can evolve.

3. Finally, if there are any cuts to be made on IHS appropriations, that the IHS be directed to involve the Indian tribes and Indian health boards to assist in the decisions of budget cuts affecting Indian health programs. Further, this Indian input should be meaningful in the sense that each Area Office be mandated to involve the participation of their local Indian health boards in the process. We would prefer that there not be any cuts but if cuts are necessary then we strongly recommend that Indian input and involvement be required.

In closing, we urge the Committee members to give Indian Health Care special consideration and diligently study these recommendations.

STATEMENT OF EDWARD KENNEDY, EXECUTIVE DIRECTOR, HELENA INDIAN ALLIANCE, CHAIRMAN, MONTANA URBAN INDIAN HEALTH COMMITTEE

ACCOMPANIED BY KENNY NICHOLSON, HEALTH DIRECTOR, BILLINGS INDIAN CENTER

Mr. KENNEDY. I am Ed Kennedy, executive director of the Helena Indian Alliance. I appear today as chairman of the Montana Urban Indian Health Committee. Sitting to my left is Kenney Nicholson who is the health director of the Billings Indian Center.

What I am here to testify specifically to is our concern in the Montana urban Indian projects for getting the appropriate level of funding for title V of Public Law 94–437.

In Montana we have urban Indian projects. They are providing vital Indian health services to over 30,000 native Americans in the urban off-reservation areas. In the past with very limited funding, amounting to some $400,000 this year, we have made some excellent progress.

We now at this time have four projects that are at phase III in providing clinical development and providing basic outpatient to the native Americans in their specific areas.

This has been done in a very cost-effective manner. The figure, for example, in Billings, the average for encounter cost is $27 per encounter, a figure we can be very proud of, and similar figures to be reflected in the other centers.

I think another important thing to note for the record is that the centers are not duplicating services for the native Americans. We are not taking business from private physicians. We are not duplicating such services as children and youth projects. We are providing services that are not available to these people anywhere else in our area.

We would suggest that this committee consider increasing our funding level from some $400,000 this year to $800,000 for the upcoming year.

The other thing that concerns us is that there are several other factors that appear to have a negative impact upon the ability of our programs to provide valuable services to our communities. Some of these are the BIA position that they have no responsibility regarding urban Indians.

We still take exception to this and want to go on the record to that effect. We still contend that under the Snyder Act they do have responsibility for meeting the needs of urban Indian peoples.

The other thing that provides a heavy negative impact for our programs is the historic undercount of native American populations in urban areas.

As an example of this, in 1970, the census indicated that in Helena we had 400 native Americans when in fact at that time we had recently completed a health survey which indicated a population of 1,500. So when appropriations are based on those types of census figures it has a disastrous effect upon our ability to get the proper level of funding.

Ms. RICHARDSON. Do you think that because of your knowledge of the undercount before, the 1980 data will be more reliable for that area?

Mr. KENNEDY. We have certain hopes in that area. But we also must note that there were occasions where the census takers that went to spe-

cific households in fact argued with some of our people as to whether they were native American or not. Because all of our people are not 100 percent Indian. So we have had those kinds of occurrences. And this concerns us a great deal.

So what we would like, if possible, are some rules and regulations for the appropriate agencies that were involved with that. We do have validly developed instruments that verify higher population levels, and ask that those population levels be considered when making appropriations.

I would like to enter on the record, we had the great pleasure yesterday morning to have breakfast and hear a speech from Senator Edward M. Kennedy, Democrat of Massachusetts. I would like to quote a statement that he made at that breakfast.

Quoting Senator Kennedy, "The poor may be out of political fashion, but they are not without human need. And they are not without human rights, including the right to decent health care for every man, woman and child in America."

I would, from my own perspective, coming off of that statement, indicate that I agree with it and would like to say that it appears to me that to be poor and to be Indian in America today is dangerous to your health.

Ms. RICHARDSON. Thank you.

[The statement follows:]

STATEMENT OF THE HELENA INDIAN ALLIANCE

I am Edward Kennedy, executive director of the Helena Indian Alliance, appearing today as chairman of the Montana Urban Indian health Committee, representing 30,000 native Ameicans in Urban/Off Reservation areas of Montana. The Montana Urban Indian Health Committee is involved in providing human and social service assistance to native Ameicans in eight urban areas in the State of Montana. The eight alliances currently receives funding through Indian Health Service under Public Law 94-437 title V appropriations. It is to this purpose the following testimony is being presented to justify the need for continued and expanded funding authorization of Public Law 94-437. We support the funding levels which will be indicated by AIHCA which will be testifying later today.

At the present time, four programs, those being Billings, Great Falls, Missoula, and Helena have moved from phase II to phase III by providing clinical development. This has been accomplished not by increased funding levels but by linking up with other agencies. These programs have been operated in an extremely cost effective manner with average cost per encounter averaging $27 per patient.

These programs cannot continue to operate as phase III programs with the standard 7 to 10 percent increase in appropriations each year. It is time for a more realistic funding of these programs.

Several occurances appear to threaten the continuation of these programs. The first is the administrations' plan to discontinue CETA-PSE funding. These programs rely heavily on this source of funding for operational staff to provide invaluable services to our people. The second negative input is provided by the undercount of native American populations by the census. The census figures in 1970 indicated that there were 400 native Americans in Helena when there was a verified population in excess of 1,500. When funding levels are based on this type of inaccurate data, the effect is to underfund drastically programs which have verified their needs and provided services in a cost effective manner.

The time has come for full funding of these and other programs that are operated in a cost effective manner by fully funding title V of Public Law 94-437.

STATEMENT OF JOSEPH E. CLOQUET, CHAIRMAN, CLALLAM INDIAN TRIBAL COUNCIL, HEALTH PROGRAM DIRECTOR, SMALL TRIBES ORGANIZATION OF WESTERN WASHINGTON

Ms. RICHARDSON. The Small Tribes Organization of Western Washington, Mr. Cloquet.

Mr. CLOQUET. Madam Chairperson, members of the committee, my name is Joe Cloquet. I am chairman of the Clallam Indian Tribal Council, a nonfederally recognized tribe in western Washington State.

I am here speaking on behalf of the Small Tribes Organization of Western Washington, an intertribal organization composed of 18 individual tribes, 8 nonfederally recognized.

I have been before this committee and the committee in the House on several occasions in my request for health care for the off-reservation Indian people and the nonfederally recognized people in western Washington.

In accord with the Snyder Act of 1921, it seems as though there has never really been an appropriate amount of money available to meet the needs of total Indian health throughout this Nation. As a consequence, the Indian Health Service, some time in the past, developed and promulgated rules and regulations stating that since we do have such limited funds we have money only for the federally recognized people residing on or immediately adjacent to the Indian reservation. Yet they do everything they possibly can to encourage Indian people to participate in the regular way of American life. Seek jobs elsewhere. This type of thing.

The health conditions of the Indian people that I represent in western Washington are deplorable. The nonfederally recognized people have had no land base. Most of them live within their aboriginal areas.

Unemployment is in the neighborhood of 40 percent from all ranks. And it is extremely difficult for them.

I recognize the fact that the subcommittees in the past have been sympathetic toward the cause of my presentation and certainly would liked to have helped the small tribes do everything that they could to alleviate the problems of this core group of people. But unfortunately there wasn't an enabling act allowing the Appropriations Committee to act on behalf of the nonfederally recognized tribes and the off-reservation based Indians.

Well, I feel we have an opportunity now, and I want to thank the U.S. Senate for acting last June 2 on amendments to title V of the Indian Health Care Improvement Act, allowing for money to be expended toward health care for this particular group of Indian people.

S. 2728, though it ran into trouble with the House Committee on Interior, Senator Melcher held strong in conference, and they have enabled the Appropriations Committee to an allowable expense of $3 million per year for the ensuing 3 years to at least get something started for the purpose of assistance to these people so deeply in need.

We have received money in the past for study purposes, documentation of health needs, available services, and last year we received $40,000 to produce a document, which I have included in the packet I have given you. We are requesting line item funding in the amount of $1,500,000 to do the very best that we can possibly do to help these people that are so entitled to assistance.

I will take no more of your time.

Ms. RICHARDSON. How many people are represented in the eight nonrecognized tribes?

Mr. CLOQUET. In the off-reservation and the nonfederally recognized tribes there are in western Washington approximately 27,000 Indian people. Where we have run into great problems, Madam Chairperson, is in situations such as Bremerton, Wash., where we have the big naval yard. So many people from all over the Nation will congregate in Bremerton, Kitsap County. They are not skilled, but they live with the assumption that perhaps they can obtain work there. They come into the area and because of lack of skill and proper schooling, they are not able to gain the employment, and consequently they drift from department of social services, and they try to obtain help from the Indian Health Service, and the Indian Health Service can't give assistance to them healthwise because they have been away from their reservation base for in excess of 180 days.

That is another promulgated rule and regulation. They are still Indian people regardless where they live. They are aboriginals of the Nation. It really can be a very, very pathetic thing to see this type of thing transpire. I won't say just in western Washington State. In all probability it is throughout the Nation as a whole, but particularly in the West and Midwest.

If you can be of assistance to us, we will certainly appreciate it, and I thank you on behalf of STOWW, as we call ourselves, for allowing me to represent them today.

Ms. RICHARDSON. Thank you.

Mr. CLOQUET. I have one thing I would like to state. One time we did receive $100,000 as an appropriation through the efforts of Julia Butler Hanson, Congresswoman Hanson.

Ms. RICHARDSON. That's a few years ago.

Mr. CLOQUET. That's right, a few years ago.

I made a request for money for dental purposes. The money was not channeled to the Small Tribes Organization. It was channeled to the Small Tribes of Western Washington. Well, there is a difference. The small tribes in that manner of speaking are the federally recognized tribes, and we were still left out in the cold, so far as the needy. But we are happy because, as I have previously stated, quite a number of the tribes, most of our tribes, are federally recognized, and it did do more for them. So it made us very happy to see it coming.

Ms. RICHARDSON. We will try to keep the names straight.

Mr. CLOQUET. Thank you very much.

Ms. RICHARDSON. Thank you.

[The statement follows:]

Statement of the Small Tribes Organization of Western Washington, Inc.

This is my fourth appearance before this Committee on the same subject; Health Care for Rural Indians and/or landless tribes, on behalf of the Small Tribes Organization of Western Washington, Inc. "STOWW" as we call ourselves is an intertribal entity which by charter serves ten federally recognized tribes and eight landless tribes who have banded together into a non-profit corporate body for the betterment of their members. STOWW is an Indian Organization within the definition of Public Law 93-638, the "Indian Self-Determination and Education Assistance Act," of January 4, 1975, entitled to receive grants and contracts to facilitate the provision of comprehensive services to its' members.

It is critical to define "STOWW", lest there be further confusion. In giving testimony to support dental services for our members when I appeared before the House Appropriations Committee, it was not made clear that there was a difference between "Small Tribes of Western Washington," and "Small Tribes Organization of Western Washington. As a result a $100,000.00 appropriation for dental care was channeled through the Portland Area Indian Health Service for services for reservation based Indians and not to the STOWW target group. We emphasize this difference with the heart felt comment that STOWW was gratified that the funds did reach Indian people, some of whom were members of federally recognized tribes affiliated directly with us, but sorrowed by the fact that our landless tribes were again ineligible for services. We were pleased that the "Indian Self-Determination and Education Assistance Act," confirmed and recognized the obligation of the United States to respond to a segment of our Indian population who, though physically, identifiably and culturally Indian in the eyes of government, simply did not exist. We are deeply indebted to those who have "gone to bat", in support and in testimony with the result that Congress, acknowledges the existence of these people.

In 1975, Congress appropriated $100,000.00 to STOWW to do a study of the health needs of off-reservation Indians of Western Washington through which we were able to emphasize and document what had been previously only surmised, the poor health and horrible dental plight of the off-reservation Indian people.

Follow up funds were appropriated in 1979 when STOWW was awarded, through the competitive grant process, a Rural Health Planning Grant, to recommend strategies to meet these health needs, in which we did indeed, document in detail the health needs of those now defined as "Rural Indian" people in Western Washington. We like to think this document, included with our proposal, to you today, was helpful in support of issues to benefit our unserved populations relative to the "Indian Health Care Amendments of 1980".

Section 14 of our recent study contains forty-five recommendations of a broad and comprehensive nature, that by coincidence seem to anticipate and meet the philosophy and dictates of Congress. They parallel and meet today the "conditions" established by "Indian Health Care Amendments of 1980", Title V, Health Services for Urban and Rural Indians. Section 503 (a) which establishes conditions as deemed necessary to affect the purpose and justify providing grants or contracts to the Small Tribes Organization of Western Washington.

As Health Administrator to the STOWW Tribes for seven years (a position I no longer hold), I have conducted surveys, had funds appropriated and funneled elsewhere, planned, and documented! I now request that this Indian population of the Small Tribes Organization, who have been studied so meticulously for so long, be delivered the health services so diligently sought for them.

STOWW proposes a $1,519,467.00 grant. In asking for these funds we commit ourselves to expanding our already considerable knowledge of existing health care systems available to Indians and to make maximum use of all health related agencies.

We submit within the text of the proposal, confirmation that STOWW has already recognized and met the philosophy and goals of the congressional mandate required of organizations to receive grant or contract funds for the benefit of our member populations.

We propose to contract Health and Dental Services for our people, implement a Health Education Program, an Environmental Health Program, (Sanitation), a Community Health Planning Program, Community Aides and a Public Health Nurse Program.

We propose to offer health care to all Indian people in the rural communities of Western Washington both off reservation and landless Indian people.

If Congress is truly interested in helping Indian people, we respectfully suggest to you that it is time we stop spending our time and money in further studies, documentation and surveys and let some money filter down to the common man, in this case the Indian, who is still low man on the totem pole when it comes to life expectancy, 18% less than the national average, nutritional deficiencies and dental health.

We are grateful that The Congress, in its wisdom, has recognized the health problems, and even the existance, of the previously neglected rural Indian and his family, and I most respectfully request, Mr. Chairman and Members of the Committee, that you grant the STOWW proposal for line item funding in the amount of $1,519,467.00 to implement Title V of the Indian Health Care Improvement Act.

Thank you Mr. Chairman and Members of the Committee, for allowing me to present this testimony before you here today.

STATEMENT OF JOANNE BARR, ASSISTANT DIRECTOR, INDIAN HEALTH BOARD OF MINNEAPOLIS, INC.

Ms. RICHARDSON. The Indian Health Board of Minneapolis, Ms. Barr.

Ms. BARR. I am Joanne Barr, assistant director of the Indian Health Board of Minneapolis.

As you may know, the Indian Health Board of Minneapolis was the first urban health project to receive funding through appropriations from Congress regarding the health care status of Indians in urban areas.

During that time there has been repeated efforts of other organizations across the country that have redemonstrated that need.

We are here today to speak on behalf of full funding for title V, which is the Indian Health Care Act, which I am sure you are familiar with, as well as all the titles under 94-437.

We are also here to emphasize the accomplishments that are being made by Indian programs across the country.

The Indian Health Board as well as the Seattle Health Board last year went through an evaluation. It was done by an outside consultant, and it was provided to this committee.

This year the Indian Health Board in Minneapolis alone went through an extensive evaluation by the Department of HEW, region V, that compared us to other community health care clinics in their region.

We have submitted copies of that report to members of the committee. In that report they had done an extensive evaluation, not only of our programing and our fiscal management and quality centers for quality care, which is the first time that has actually happened.

Basically, the report said that the health care that is being delivered in Minneapolis and is being used as a model has demonstrated effective and efficient health care at reasonable cost to Indian people in the urban areas. And it would be very hard to get that same quality of care anywhere down the street.

To reiterate, then, we have standards that are placed upon us because we do receive money outside the Indian Health Service. The Indian Health Service represents about 500,000 dollars' worth of funding. We have a total budget of $1.3 million. Part of that money comes from the Indian Health Service through the urban health initiative program.

With that there are a number of criteria that must be met as far as encounters and quality of care. Within those standards the Indian Health Board of Minneapolis has documented that an average medical visit represents $22 and a dental visit is $42. Their standards are up to $24 and $50 for that same kind of care.

So we have demonstrated we are very reasonably sure that the other clinics if they come to the phase IV, which we are and we have been in that phase since 1973, will continue to provide quality care at a reasonable cost.

I am here today just to begin to reemphasize the Indian Health Board's position on our full support of funding, reemphasizing the need for the funding.

The 41 clinics have not expanded in 2 years, and it is very difficult to do that without dollars.

Minneapolis has been successful in raising dollars, more than matching the money from the Federal Government, but not all the communities are that fortunate to have the same type of system that we do, a political system and a foundation system.

The previous person from Montana was testifying. I am sure he is finding it quite difficult to find a foundation right down the street to tap into. So that money is very critical and crucial.

Now, our clinic alone represents over 50,000 encounters per year. Twenty-one thousand of those are medical and dental visits alone. That is not taking into account other health education services, our mental health services, our outreach services, our transportation services.

So with that, thank you. If there are any questions I would be happy to answer those.

Ms. RICHARDSON. It sounds like you have a program to be rightfully proud of. Is Indian Health Services using it as a model for any of the other areas?

Ms. BARR. We have a lot of inquiries that come from Indian Health Services. So I guess we are.

Ms. RICHARDSON. Thank you very much.

[The statement follows:]

STATEMENT OF THE INDIAN HEALTH BOARD OF MINNEAPOLIS, INC.

Mr. Chairman, members of the Senate Subcommittee on the Department of the Interior and Related Agencies, thank you for the opportunity to appear before you today. I am Norine Smith, director of the Indian Health Board of minneapolis, Inc. and am enrolled in the Redlake Band of Chippewa Indians. Last year I appeared before you requesting reauthorization for funding of the Indian Health Care Act. Thanks to you and your committee members that act was reauthorized.

Today, on behalf of the urban Indian population in Minneapolis, I am requesting full funding of title V of the Indian Health Care Improvement Act, in the amount of $21.5 million which authorizes for 1982 funding. In addition, as a member of a federally recognized tribe, I would like to request full funding for all the titles of the Indian Health Care Improvement Act. Repeatedly we have requested full appropriations of title V and have not come close to full funding. Yet we have demonstrated our capabilities to effectively access and deliver health services despite lack of full funding. At this time I would like to highlight the accomplishments the Indian Health Board of Minneapolis has had with the funds appropriated by your committee.

The Indian Health Board of Minneapolis receives $529,000 through title V to provide direct health care services for the estimated 17,000 Indians residing in the Minneapolis area. Our total budget exceeds $1 million annually. We have demonstrated a dollar-for-dollar match from other resources to support our comprehensive medical, dental, health education, mental health, and community outreach programs. These services are provided 5 days per week with 24 hour weekend and evening medical coverage for our 13,000 patients.

We have continued growth in our provision of direct health care services: for 1980 our medical visits increased by 17 percent representing 13,708 patient visits. Our dental visits increased by 49 percent representing 7,618 visits; for 1980 the Indian Health Board of Minneapolis is projecting an 8-percent increase in medical visits and a 10-percent increase in dental visits; and the cost per encounter for the provision of medical services was calculated at $23 for the year. Dental cost per encounter for the year was $42. According to existing indicators relating to cost per encounter, the Indian Health Board of Minneapolis would be considered to be highly competitive/cost efficient in the marketplace.

Our outreach program has provided over 18,000 patient contact services comprised of transportation, follow-up, referrals, and home-hospital visits.

Health education encounters were over 8,940 for 1980. The services include one-to-one counseling for diabetes, insulin instruction, hypertension, and nutrition counseling.

The health education unit conducts WIC certifications, prenatal, weight reduction, and cardiopulmonary classes weekly.

The mental health program has had 792 encounters. This is a fairly new department whose primary purpose, at this time, is to introduce mental health services to the Indian community in Minneapolis. Presently, the community has not recognized the need or accepted mental health services.

In total, over 49,058 encounters were recorded for 1980. This represents a total increase of 24 percent in encounter activity for 1980. Projected figures for 1981 include an overall increase of 10 percent in patient encounters for the total clinic services operation.

In addition to the above accomplishments, the Indian Health Board believes in accountability. Last year we were evaluated by a private management company which you received a copy of their report. This year we were evaluated by a Government organization other than the Indian Health Service which basically reiterated Rosenberg's report (a copy of the report has been submitted to each member).

If the Indian Health Board is to move forward instead of backward and continue to make improvements in providing health care to the urban Indian population of Minneapolis, we need your help by providing full funding of title V in the amount of $21.5 million.

Thank you again.

STATEMENT OF ROGER CHIM, REPRESENTING JOHNSON MENINICK, CHAIRMAN, YAKIMA INDIAN TRIBAL COUNCIL

ACCOMPANIED BY JOE SAMPSON, SECRETARY, YAKIMA INDIAN TRIBAL COUNCIL

Ms. RICHARDSON. The Yakima Indian Nation of Washington, Mr. Meninick.

Mr. CHIM. My name is Roger Chim. I am representing Johnson Meninick who is the chairman of the Yakima Indian Tribal Council. To my left is Mr. Joe Sampson who is secretary of the Tribal Council, also a council member.

We are here today to talk to you about the need of the Yakima Indian Nation for development of irrigation land, to discuss the Satus Creek irrigation project, which was taken off the budget back in fiscal year 1981, supposedly being deferred to the 1982 budget.

It was one of six irrigation projects that the Bureau of Indian Affairs had proposed in a previous budget, but it was taken out by the President.

We feel that we have been promised that it would be included in the budget this year, and we found toward the end of this presentation on the budget that it has not.

So we feel that we must ask that it be included.

Ms. RICHARDSON. What is the total cost of the project?

Mr. CHIM. Four hundred and seventy-five thousand dollars.

Ms. RICHARDSON. That will complete it?

Mr. CHIM. It will provide shallow-well development in salt-saturated lands with a higher water table. You see, one part of the reservation may be drying up, but in the one portion where it is going down there is a high-water table developing that is causing salt water, salt saturation of the soil, and part of it to be unproductive.

We feel that we need this assistance, providing this assistance to us, to develop our lands so that they can be productive. This request is for 260 acres to be developed, but surrounding that 260 acres is a large amount of land that is being bothered by oversaturation.

The second item that we would like to discuss is the Indian Health Service regulations that are affecting our Indian people.

We feel that the Indian Health Service in its inception from a time that I don't know, but it was set by law as a promise to the Indian people that they would have good health care. Today we find that the change of regulations is allowing other people to enjoy Indian Health Service, which we feel the Public Health Service is adequately funded to take care of other people and the Indian Health Service is now being depleted down and the services are becoming diluted. Which is a promise to the Indian people, to the elderly and the young, for their benefit.

Ms. RICHARDSON. Of course, this change in regulation came about as the result of the fact that traditionally Indian Health Service has provided health care to a white woman married to an Indian and they found it was discriminatory not to do it both ways.

Would you support a program that would provide services to neither the husband nor the wife?

Mr. CHIM. We really strongly oppose anyone. We want to see Indian Health Service strictly for Indians.

Ms. RICHARDSON. All right.

Mr. CHIM. The other is related to the cutback of the Indian action programs within the Bureau of Indian Affairs' budget.

The Yakima Nation was cut back approximately a third of our program, which cut our services to about half of the trainees that we had under the Indian action program. We feel that was a severe cutback in regard to the other cutbacks that we are now seeing in training moneys going to Indian people, such as CETA, which is affecting the unemployment rate and is raising it to about triple what the national unemployment rate is today, and we feel that the Indian people must be helped, especially the Yakima people. We feel we must train our people to be able to take care of themselves.

Ms. RICHARDSON. Are you using your Indian action money for housing construction?

Mr. CHIM. We assist ours in the sense of trainees working with our HIP program.

Ms. RICHARDSON. With the HIP program, but just for the training, not for the actual construction.

Mr. CHIM. Just for the training.

In conclusion, I would like to comment in respect to the previous Republican administration's policy toward Indians, the development of the Self-Determination Act and the things that we have experienced in the past. We hope that we are understood, that we are not just a special interest group. We are people that have a promise and the United States has treaties with. The Congress has the responsibility to assist us in our development.

Through 200-some years we have not seen this and we hope that the things that happened in the past—we lost a President that was helping Indians. We hope that this administration with President Reagan will do what the previous Republican administration had done.

[The statement follows:]

STATEMENT OF THE YAKIMA NATION

Goodmorning Mr. Chairman: my name is Johnson Meninick and I am the Chairman of the Yakima Nation of Washington State. On behalf of the Yakima Nation, I would like to thank you for providing us this opportunity to address the Subcommittee.

We are here today to ask this Subcommittee's assistance in reinstating the Yakima Satus Creek Irrigation project back into the 1982 BIA budget and to express our concerns regarding the proposed cut back in the Indian Action Teams Program as well as to support the testimony of the Portland Indian Health Board regarding the proposed 1982 budget of the Indian Health Service and to briefly address Mr. Reagan's proposed budget cuts.

SATUS CREEK IRRIGATION PROJECT - As you may recall, the Satus Creek Irrigation Project which will provide shallow production wells and pipe and sprinkler distribution systems designed to bring some 260 acres of land up to its productive potential, was included in the original BIA F.Y. 1981 budget request. This project was one of six tribal irrigation projects nation wide which were removed from the F.Y. 1981 BIA budget request as part of the Department of Interior's budget cuts.

When the project was cut from the budget, BIA informed the Yakima Nation that this project along with the five irrigation projects for other tribes, was simply being deferred to F.Y. 1982 and would be included in the BIA's request at that time. The Tribe accepted BIA's statement in good faith and did not seek to have this project reinstated into the BIA's F.Y. 1981 request.

Because of our critical need for the Satus Creek project, we have kept in close contact with the BIA personnel working on it. We were informed that the project was discussed by both the BIA and OMB staff in recent months and that it was placed in the F.Y. 1982 budget request of the Division of Water Resources at BIA along with the five irrigation project of other tribes which were also deferred from F.Y. 1981.

It was not until the BIA's official F.Y. 1982 budget request was made public that we learned that all of the deferred irrigation projects with the exception of Yakima's were included in the 1982 request.

The Tribe has spoken with several individuals at BIA and we have finally learned that the Yakima Satus Creek Project was removed from the BIA's 1982 Budget request by the former Acting Assistant Secretary for Indian Affairs. The project was not removed at the request of OMB and was clearly removed over the objections of the staff of BIA Water Resources Division. The Tribe had no knowledge of the cuts and had no input into the decision. No justification was given by the Acting Assistant Secretary for his pulling the Satus Creek Project out while leaving the other five projects in.

The BIA's own justification statements point out that this project "has a benefit/cost ratio of 1.9 to 1". It further indicated that "in addition to the direct benefits to the acreage served, other nearby salt saturated lands will indirectly benefit from a lowering of the existing high water table by the irrigation pumping", and that this project also has the longer range potential of being tied into a Mabton storage project at a later date.

The Yakima Nation clearly needs this project. We feel confident that the BIA's own records show the economic development potential of these shallow wells and sprinkler distribution systems and the potential of the land which it will help to develop. We ask this Subcommittee to review this justification material and its projection of benefit/ cost ratios carefully. Our project has a higher benefit/ cost ratio that three of the irrigation projects presently included in the BIA's F.Y. 1982 request. The Yakima Nation clearly has the potential to make very effective use of the project and the land it will develop and we ask this Subcommittee to assist us by appropriating $475,000 to construct this project at Satus Creek.

INDIAN HEALTH SERVICES TO NON-INDIANS- The Yakima Nation would like to take this opportunity to express our serious concerns regarding the newly proposed IHS regulations relating to the provision of IHS services to non-Indian male spouses. The Yakima Nation strongly opposes this action and we stress that while we support adequate medical care for all people we strongly object to the use of IHS as the vehical for providing such services to non-Indians. Our staff has reviewed the IHS proposed F.Y. 1982 budget carefully and we have found the IHS program increases to be extremely low when compared to the actual needs of our people. We are therefore concerned by this proposed non-Indian increase in the IHS service population when

program dollars are already inadequate to service our tribal members. IHS has already begun to provide services to non-Indian male spouses in the Portland Area and this action is cutting into tribal program budgets and will also cut into our very limited contract health care program. We feel that the time has come for IHS to again become a program for Indian people where service populations are defined by the Indian tribes and adequate funds are appropriated to meet the health needs of Indian people.

PROPOSED CUTS IN THE INDIAN ACTION TEAMS PROGRAM- The Yakima Nation is seriously concerned with the proposed cuts in the Indian Action Teams Program. The IAT program at Yakima has already suffered severely from the F.Y. 1981 budget cut in this program.

We feel that our program is both effective and clearly needed. Our IAT trainees are provided with both classroom and on the job training and in 1980 our records show that 66% of our IAT graduates were placed in permanent jobs within months of completion of their training. Many of the other 1980 IAT graduates have gone on for further training or have since entered the job market off the reservation. We feel that Yakima has a very meaningful program which is directed towards training individuals in skills which are clearly needed by our local job market. The lack of skilled Indian labor has forced the Yakima Tribe to contract a number of construction projects out to non-Indian construction firms. The IAT program has helped to correct this situation by providing us the the alternative of skilled tribal members. We feel that this program has worked to decrease the unemployment on our reservation and has allowed for meaningful progress in the area of Indian preference. The Yakima Nation is strongly committed to tribal self-determination. Self-determination can only be accomplished however, when our people are skilled.

We ask the Subcommittee to review the proposed cuts in this program in relation to the program potential for developing a skilled Indian labor force. Employment training is critical to economic development and we encourage you to return this program to at least its F.Y. 1979 level.

Finally Mr. Chairman, I would like to prematurely address the F.y. 82 Reagan budget. While the budget has not been released or submitted to the Congress we can only speculate as to how the Indian programs may fare against the proposed cutbacks. We are aware that many of the so called "special interest groups" are mounting an attack on the cutbacks, particularly those for social programs. This puts us in an unconfortable position of being shrugged off as 'just another special interest group' when we question the wisdom of cuts in Indian programs. In reality the relationship between Indian tribes and the Federal government can not possible construed to put us in that catagory. As you know, and as the Constitution of the U.S. has been interpreted time and again by the highest courts in the land, the Executive and Legislative branches of government have a fiduciary trust responsibility toward the Indian tribes of this country. Promises were made when the Treaties were signed, to provide for our people in many ways. We gave up our lands in a treaty of friendship, for promises of services for our people and we feel that the obligations the U.S. has made should be adhered to.

The social and economic indicators for tribes are so much worse than any other group of people in this country that the statistics are numbing and in many cases just hard to believe. The suicide rate is many time the nations average, our average life span and educational attainment levels are much lower than all non-Indians.

Without getting into detailed specifics, let us quickly examine just one area: employment. On some reservations a deletion of training jobs provided by CETA, and the subsequent employment attained from this training, would double the unemployment rate. Unemployment on some reservations is already as high as 40-70%. Many of our former CETA trainees are now in college and well on their way to becoming contributing citizens of the state of Washington. If a member of my tribe has been utilizing CETA programs and is suddenly told that there is no longer CETA funding, what is she or he to do? There are no factories or industrial places of employment on our reservation that Indian people can turn to. We live in rural locations where the opportunities for employment are very low. Despite this, we have heard that there is consideration for completely gutting the CETA program including the Division of Indian and Native American Programs (DINAP) in the Department of Labor. We realize that CETA is not an item within the jurisdiction of this Subcommittee, it is an issue that you can help us with either as members of the Labor/HEW Subcommittee or as members

of the full Appropriations Committee. There are other agencies and departments outside the BIA and IHS that are providing important services to our tribe. We plead with this Committee not to cut these programs.

The present federal policy of this country is referred to as "self-determination", which is the common name for the Indian Self Determination and Education Assistance Act, P.L. 93-638. This was a progressive policy initiated by the Nixon Administration and it has helped Indian tribes to attain local control, an ideaology long in sync with Republican philosophies. In Ronald Reagan's national Indian policy, he promised to protect and advocate for tribal self-determination and fully aknowledged the trust relationship between the federal government and Indian tribes. We applaud this policy but must point out that cutting back on Indian programs budgetarily is in contradiction to the policy and will make the dream of self-determination an unattainable goal.

We hope this Committee realizes that cutting programs to those Indian peole most in need of those programs would indeed be a serious mistake with potential disasterous consequences for all Indian Nations.

STATEMENT OF DELFIN LOVATO, CHAIRMAN, ALL INDIAN PUEBLO COUNCIL (AIPC)

ACCOMPANIED BY:
GOV. GILBERT PENA
GOV. MICHAEL AVILA, SANDIA PUEBLO
GOV. LAWRENCE MONTOYA, SANTA ANA PUEBLO

Ms. RICHARDSON. Mr. Lovato, would you like to come on up? This was dropped off in the office last week, and I have read the entire report, so would you like to tell me anything that's been happening recently?

Mr. LOVATO. Not other than getting all the appropriate officials and people, advisory pueblo people. It's a critical situation here.

Are you ready?

Ms. RICHARDSON. I'm ready.

Mr. LOVATO. I've got a written statement, which I'd like to introduce for the record, and I will summarize my comments to the committee.

We have a variety of priorities and unmet needs and issues that we have included in our statement, that we would like to bring to the attention of the committee.

I will sumarize and highlight one or two items, which I think are of vital importance to the pueblo leadership of the pueblo community.

Before I do, could I introduce the other guests that are present here with me?

Ms. RICHARDSON. Please do.

Mr. LOVATO. To my left, Gov. Larry Montoya of the Pueblo of Santa Ana, Gov. Pena of Nambe Pueblo, and Mr. Avila of the Sandia Pueblo.

We have, as I'm sure the committee knows, a project that goes to the deadline of December 30, 1982, commonly known as the statute of limitations. We were waiting to get an extension on that this past year. Unfortunately, the moneys that are needed to carry out the intent of the law were never provided. The Department and BIA put forth a supplemental request which was refused by OMB back in November. We had a situation in our State, especially among the 19 pueblo communities, because of the complicated land problems in our area, many of them going back to the Spanish and Mexican land grants in those areas, that warrants a great deal of attention.

We have boundaries—reservation land, where the boundaries don't come together. We have complicated legal situations which go back many generations in terms of titles and so forth. We need adequate resources to do the research to identify these claims, to be in a position to come to the Congress with some legislative remedies or propose some legislative remedies by June of this year. We don't have the resources to carry that out, and we feel that as trustees, the U.S. Government must provide the resources to allow the Pueblo communities, as well as the other tribes across the country, the opportunity to identify all those claims on trespasses and so forth. Without adequate resources, obviously, we cannot do that.

That is one of our priorities, and we feel that the Congress and both committees and the Senate and House can give some attention.

Another priority is the need for school construction moneys. We realize we didn't get any last year. This year it appears that we are looking

at the same thing. We've got a junior high school which has been planned for many years in the Laguna-Acoma area. It was No. 1 on the priority. It has been now for 2 years. We have not seen planning money on this. We have not seen any design on this. And we're asking for some startup moneys for that particular location and that particular school. We feel that we've more than justified the need for that facility for the Laguna-Acoma area.

We have serious problems with some of the program areas, such as Johnson-O'Malley. For the past several years we have basically maintained a funding level of $29 to $30 million. The number of students who are eligible and becoming eligible for these services have increased geometrically. The moneys have not increased.

Ms. RICHARDSON. We're, I think, going to be facing a rather difficult decision here on the committee with regard to Johnson-O'Malley and the Indian Education Act, title IV, part A money. In your opinion, which of those programs is of more benefit?

Mr. LOVATO. I think any funds that go directly to services to the students are critical and vital. I think Johnson-O'Malley has served that type of purpose, so I think Johnson-O'Malley is very important, especially in areas such as New Mexico, where so many of our kids are forced to go into the public school system. We need that extra service, guidance, and counseling.

That program has done that type of job. The pueblo communities run their own Johnson-O'Malley program, but it's a good example of what Indian people can do if given the opportunity to control their educational resources.

Ms. RICHARDSON. I'm sorry to cut you short, but your time has elapsed.

We'll include your whole statement in the record.

Mr. LOVATO. If I might just conclude. I think it's very important that the materials that we provided to the committee in terms of the Santa Fe Indian School and the Albuquerque Indian School situation be given some consideration.

Ms. RICHARDSON. They won't let the engineers on the property?

Mr. LOVATO. That's right. I don't think we're going to do that, but somebody's got to do something, because if something were to befall those children, I don't think this committee or any committee in the Congress would like to be in the position of having perpetuated a situation which would result in harm to any of those kids.

So thank you very much.

Ms. RICHARDSON. Thank you.

[The statement follows:]

Statement of the All Indian Pueblo Council

Mr. Chairman and members of the Subcommittee on Appropriations for the Interior and Related Agencies, my name is Delfin Lovato, I am the Chairman of the All Indian Pueblo Council (AIPC) which is comprised of the nineteen New Mexico Pueblo tribes. Present with me today are: Governor Gilbert Pena of Nambe Pueblo; Governor Joseph Calabaza of San Ildefonso Pueblo; Governor Frank Jojola, of Isleta Pueblo; Governor Raymond Concho of Acoma Pueblo; Governor Michael Avila of Sandia Pueblo; Governor Lawrence Montoya of Santa Ana Pueblo; and tribal council representatives.

Mr. Chairman and members of the Committee, we come before you today to present testimony on some of the unmet, vital needs of the Pueblo Indians. The nineteen Pueblos have a combined population of 45,000, and a combined land base in excess of two million acres. While the nineteen Pueblos are united as one under the All Indian Pueblo Council, each of the nineteen Pueblos is a seperate and distinct tribal government with all inherent powers therein. However, despite this autonomy many of the problems and needs are similar.

Our testimony today will address some major needs in three categories: 1) Indian Health; 2) Bureau of Indian Affairs (BIA); and 3) Educational Programs and Services. The Albuquerque/Santa Fe Indian School Board and the Parent Representative Committee will present testimony on the need for an immediate resolution to a critical and dangerous situation which continues to exist as a result of BIA neglect and indifference.

I. PUEBLO INDIAN HEALTH NEEDS (ALBUQUERQUE AREA):

The health concerns and priorities within the Pueblo communities are influenced by the level of resources, advances of medical and scientific knowledge, and the accessibility to personal and community comprehensive health services for all. Without adequate resources, facilities, health manpower, training and continued program funding, the health status of Indian people will continue to be secondary to that of the general United States population.

The following chart provides an overview of health concerns identified through recent health planning mandates through P.L. 94-437 (The Indian Health Care Improvement Act). Despite the increase of health and significant advances among the Pueblo people, much more is needed to reach the parity level with that of the general U.S. population. The following chart identifies the mortality/natality rates to be significantly higher among Indian people in comparison with the general U.S. population.

TABLE I

ALBUQUERQUE AREA IHS STATISTICS

MORTALITY/NATALITY COMPARISON DATA

CAUSE OF DEATH	ALBUQ. AREA TOTAL	INDIANS IN 24 RES. STATES	U.S. ALL RACES
Accidents	146.8	140.5	49.5
Cardiovascular Disease	100.8	188.1	478.1
Cirrhosis of Liver	56.9	46.2	15.3
Malignant Neoplasms	55.4	66.6	170.5
Alcoholism	51.4	52.8	2.3
Symptoms, Ill-defined Conditions	48.9	32.7	14.7
Suicide	27.0	18.7	12.1
Homicide	22.5	25.7	10.2
Influenza/Pneumonia	22.5	29.7	25.9
Diabetes	15.5	17.6	17.2
Infant Death Rate** (Per 1,000 Live Births)	17.2	18.7	16.1
Live Births* (Per 1,000 Population)	26.5	30.8	14.8

*Albuquerque Area Mortality Data based on 1972-76 data; U.S. and Indians in reservation states based on 1974.

**Live Birth/Infant Death Data; Albuquerque and A/C/L Data not separated for that period 1974-76.

Mortality rates for accidents among Indian populations is three times greater than the U.S. population, while cirrhosis of liver being four times greater, alcoholism being 22 times greater, symptoms/ill-defined conditions, suicide, homicide, and the natality rates among Indian populations being significantly greater than the general U.S. population.

TABLE II

ALBUQUERQUE AREA IHS - 1978

AMBULATORY CARE (DIRECT/CONTRACT CARE)

TEN LEADING CATEGORIES BY COMPARISON

CLINICAL IMPRESSIONS	TRIBES PER 10,000 POPULATION ALBUQ. AREA TRIBES (1)	U.S. POP. 1970(2)
1. Respiratory Diseases	9972	3832
2. Injuries	4196	1957
3. Skin Diseases	3927	1366
4. Symptoms/Ill-defined Conditions	2931	1088
5. Endocrine/Nutritional Diseases	2694	1156
6. Eye Diseases	2972	965
7. Infective/Parasitic Diseases	2743	1068
8. Ear Diseases (Otitis Media)	2657	-
9. Circulatory Diseases	2321	2695
10. Pregnancy, Childbirth	2067	-

Source: U.S. Indian Health Service

1/Total population
2/Source: National Ambulatory Medical Care Survey
1975 Summary DHEW (PHS) 78-1984, Serial 13, Number 33
Most recent data available, outpatient clinic visit utilized

Table II categorizes the level of medical/clinical diagnosis within the Albuquerque Area tribes in comparison with that of the general U.S. population. The clinical diagnoses are significantly greater among the Indian tribes as compared with that of the U.S. population, such as respiratory diseases beiny three times greater, injuries, skin diseases and the remainder of the nine leading priorities for clinical services are significantly greater than that of the general U.S. population.

These clinical rates all require the need for medical attention with appropriate follow-up visits, prevention, monitoring and aftercare within our Indian communities.

The following sections identify the level of unmet needs to address these health concerns:

II. HEALTH FACILITIES AND SERVICES:

The passage of P.L. 94-437 reaffirmed the federal government's committment to Indian people, in achieving the needed heatlh services and facilities in reaching parity to that of the general U.S. population. Within this context, the following was identified by Pueblo tribes to provide a firm foundation, upon which continued health services will be provided. The following is a summary of health service facilities and services needed to attain health parity with the general U.S. population.

1. ALBUQUERQUE SERVICE UNIT (ASU):

The expansion of the Outpatient Department of the Albuquerque Service Unit was originally planned for the building of a New General Building to accomodate for service unit supplies, the remodeling of existing storage building into maintenance shops, and the location of dental space for delivery of services. The expenses for these activities were, however, excluded from the appropriations. It is, therefore, requested that the committee reconsider appropriating the needed funding to accomodate these facilities and remodeling activities: dental clinic services $150,000; and new storage space $157,500.

The Albuquerque Service Unit requires continual operational, facility, manpower, and management support for the delivery of services. The following operational expenses are requested for the continual delivery of services.

FY 1981	$3,786,100
FY 1982	4,595,000

2. ACOMA/CANONCITO/LAGUNA (ACL):

a. Water Supply:

The geographic location of the three reservations does not provide adequate nor quality water for the A/C/L Hospital and adjacent housing units.

The requirements include:

1. 800 foot deep well	$ 30,000
2. Four inch water line (4000 ft. of pipe)	16,000
3. Engineering costs	9,600
TOTAL:	$105,600

b. A/C/L Staffing:

The Acoma/Canoncito/Laguna Hospital opened for inpatient services on August 4, 1980. Since this time, the outpatient workload and average daily patient load have been steadily increasing. In order to meet increasing workloads and expand services, the following positions are required:

Obstetrical Services	271,350
Nursing	120,114
Laboratory	33,729
Optometrry	43,097
Pharmacy	30,660
Dental	37,914
Housekeeping	41,184
Audiology	31,854
Social Services	10,044
Property and Supply	11,128
Administration	27,079
TOTAL:	$958,153

c. Dental Program:

The Indian Health Service has provided very limited orthodontic and prosthetic services to the tribal members. Additional resources are required to maintain and expand these services. Particularly since the water conditions in our geographic area are so detrimental to dental health. Requirements include:

Orthodontic Services	120 patients	$168,000
Prosthetic Services	450 patients	450,000
TOTAL:		$618,000

d. Eye Care Program:

Optometry and Ophthalmology services are provided through contract health service funding. It would be cost-effective and enhance the availability of services if a full-time optometrist position was available at the A/C/L Hospital. This requirement was included in the staffing requests, however, an additional need is the availability of free eye glasses as part of the comprehensive services provided by the Indian Health Service. At this time, the Eye Care Program does not merit the same importance as the dental, medical or field health services provided to our Indian people. Requirements for a free eye glass program are:

$45,000

e. Emergency Medical Services:

The three tribes (Acoma/Canoncito/Laguna) provide ambulance/emergency services for the communities, however, the isolation of the hospital requires transfer of patients to specialty care in Albuquerque. The hospital is responsible for the transport of patients to other facilities and severely needs to develop emergency transport services that are hospital based. Requirements for eight emergency medical technican ambulance drivers are:

$89,944

3. SANTA FE SERVICE UNIT:

The Santa Fe Service Unit requires continual operational, facility, manpower and management support for the delivery of services. The following operational expenses are requested for the continual delivery of services.

FY '81 $5,856,400

Other Santa Fe Service Unit equipment expenses needed are:

Optometric Supplies	$ 68,134
Puritan-Bennett Air/Oxygen Mixer	7,000
Medical Records Office Paneling	6,000
Office Equipment	14,000
Radiographic Equipment Test Tools	2,000
Radiology Grid 28-72 Focal Film	13,000
Cochiti Clinic - Examining Lamp	3,000
Piggostat Immobilizer/Positioner	3,000
TOTAL:	$116,134

III. TRIBAL SPECIFIC HEALTH NEEDS (PUEBLO COMMUNITIES):

Through Congressional action of P.L. 94-437, Indian Health Care Improvement Act was enacted. Under this law each Indian tribe was given the opportunity to develop its own Tribal Specific Health Plan (TSHP) defining health priorities and unmet health needs as defined below:

a. Cochiti Pueblo, Jemez Pueblo, San Felipe Pueblo, Sandia Pueblo, Santa Ana Pueblo and Zia Pueblo:

Problems with alcoholism have been identified as being the number one priority by the Pueblo tribes. The Six Sandoval Pueblos (Cochiti, Jemez, San Felipe, Sandia, Santa Ana and Zia) have identified the need for an alcoholism detoxification and juvenile detention center in a feasibility study completed in 1977. Subsequently, architectural plans for an Alcoholism Rehabilitation Center were drawn and completed in 1978. Various sources of funding have been identified and contacted but to no avail. Total required funds are:

$2,000,000

b. Santo Domingo Pueblo:

The Pueblo of Santo Domingo, with a tribally projected population of 3,867 by 1984, had identified the need for replacing its health center previously built in 1963. The existing structure does not meet current code requirements and IHS functional standards. Quarters for six personnel are included in the total funding needs. The facility will provide approximately 28,850 outpatient visits and provide preventive and curative care. Total funds required as identified in '80 testimony are:

$6,170,137

The second priority for the Pueblo of Santo Domingo in its TSHP is a senior citizen's center. Funding is needed for the first phase which is to plan the center. Total funds required for this project are:

$50,000

c. Laguna Pueblo:

Laguna Pueblo has identified the need to expand its existing health facility to include laboratory facilities, dental services, ophthalmological services and additional office space. Total funds required are:

$630,000

Laguna identified needs in environmental health and development of its water system within its top ten priorities. Identification of problem areas would include solid waste disposal system, vector control, and sewage as well as radiation hazards at on-reservation mining operations. It further realizes the need to develop adequate water resources, standards of quality and water treatment methods. Total funds required:

$162,000

d. Nambe Pueblo:

The Pueblo of Nambe has been involved in planning for a thirty-five bed nursing home for the elderly of the eight northern Pueblos. These tribes have identified this need through a feasibility study already completed because among other concerns, of the long waiting lists and the shortages of beds for long-term care in the Santa Fe area. Another factor is that off-reservation facilities are not designed to provide services for the unique needs of the Pueblo elderly. Nambe Pueblo will provide intermediate care that is culturally sensitive, such services will be provided in this on-reservation facility. Total funds required are:

$200,000

e. Picuris Pueblo:

The Pueblo of Picuris, in the 1980 testimony, had identified a need for a solid waste disposal system to serve their community. The Pueblo needs a back-hoe, trucks, and other equipment. Total funds required are:

$71,000

f. San Ildefonso Pueblo:

The San Ildefonso Pueblo requires a solid waste disposal system. Funding requirements for this system has been identified at:

$120,000

g. Pojoaque Pueblo:

Pojoaque Pueblo, in its TSHPs, identifies as its number one priority need in the area of environmental health. A feasibility study is planned to address such concerns. Our needs are:

Feasibility Study	$ 60,000
Water System	500,000
TOTAL:	$560,00

Pojoaque Pueblo also feels the need to conduct a feasibility study for a clinic to serve its people. Total funds required for this project are:

$40,000

h. Isleta Pueblo:

Isleta Pueblo has identified the need to expand its health clinic to adequately serve its tribal members. Tribal projections place its population at 3,227 by the year 1984. With the expansion of the clinic it became necessary to hire additional professional staff to provide the necessary health care services. The clinic expansion would include seven additional examination rooms; four examination tables; waiting room for dental patients; and mental health programs; expansion of medical records section; an emergency room within the clinic; and, four additional telephones. Clinic expansion total costs required are:

$733,000

Additional staffing needs include one medical doctor, one optometrist, one orthodontist at a minimum of four days per month to serve the elderly and children; and, one social worker/health educator. Manpower needs are:

$100,182

Isleta Pueblo has also identified the need to have various health related training courses, primarily focusing on health and administration.

i. Taos Pueblo:

Taos Pueblo in two previous testimonies have identified the need to replace its health clinic. The existing clinic was built by the BIA in 1936 and was designed to be a school. It is inadequate as a health clinic is dilapidated and requires additional staffing. Utilization of the existing facility has steadily increased over the years. Quarters for staff are also needed. Eleven quarters have been identified for professional staff. Total required needs are outlined on the following page.

Health Center:	Planning	$ 152,000
	Construction	2,383.024
	Equipment	380,253
Living Quarters:	Planning	42,900
	Construction	672,100
	Equipment	8,800
	TOTAL:	$3,639.077

Tribal Health Care Programs/Services:

All Pueblos have identified unmet needs in the area of health care services. Many of the following concerns have previously been stated in testimonies.

Laguna Pueblo has a clinic serving its people but has identified the need to increase capabilities in several clinic services and, also, to develop a comprehensive community health care program which includes a public health nursing team and expanded home health care services. Total funds required:

$446,600

Various unmet needs have been identified by the Pueblos concerning their elderly. Again, the Pueblo elderly prioritize their needs in the following manner: Home Health Care; Transportation; Special Clinic Services; Long-term Care Facilities; Comprehensive Nutrition Programs; Home Repairs/maintenance Early Screening Programs; Expanded Eye Care Services; and, Expanded Dental Care.

Nambe Pueblo is in need of a Expanded Nutrition Program from five to seven days which will require one cook. Required total funds are:

$10,000

Community Health Representatives:

The Communi · Health Representatives (CHR) programs are also a concern of the Pueblo communities. The concerns are based on such factors as the ruralness of reservations, hospitals located varying distances for the Pueblos, inadequate IHS professional staffing and funding, etc. Also, four CHR positions are to be cut this year, where normally more positions become available for the tribes. The CHR's have received training to varying degrees and to provide a vital service to their communities and they are available locally while many professionals are only available during the week, some on a part-time basis, very few are available after normal working hours. Increased positions and funds for the CHR Program are requested by all Pueblos.

The Resource Allocation Criteria (RAC) formula used to calculate the number of CHR positions required for the tribes served by the IHS Albuquerque Area places the total positions at 184. Currently there are 173 positions within tribes. CHR position cuts would lower the total to 169. Our need is for 15 CHR positions. Though monies have been allocated, the funds are frozen for an indefinate period. It is mandatory these funds be released.

The following are the top ten priorities compiled from the tribal specific health plans developed by the individual tribes. There is not currently an IHS budget to review to determine if these priorities are included.

Alcoholism
Emergency Medical Services
Elderly Care Programs
Mental Health Programs
Increased Contract Health Care Funds
Development of Tribal Management Programs
Expanded Health Education Programs
Expanded Environmental Health Programs
Disease Prevention and Health Promotion
Expanded Outpatient Clinical Services

Manpower:

Manpower has not been adequate to serve the Pueblo people. Manpower needs not addressed previously are the following:

Tesuque Pueblo:	1 Public Health Nurse	$ 20,000
	1 Nurse Practitioner (to continue current prog)	35,000
Picuris Pueblo:	1 Health Planner	18,000
	1 Nurse Practitioner (4 days/week)	20,000
	2 Counselors - - - - - - -	
	1 Administrator / -	45,000
	1 Recreation Director- - -	
San Ildefonso Pueblo:	1 Counselor	12,000
TOTAL:		$150,000

Equipment Needs:

Equipment needs not addressed elsewhere are the following:

Picuris Pueblo:	1 Examination Table	
	1 Blood Pressure Test Unit	
	1 Baby Scale	
	Clinic Supplies	$2,875
San Ildefonso Pueblo:	2 Hospital Beds	$850

IV. SPECIAL HEALTH ISSUES:

Mileage/Funding Restrictions:

The restrictions placed on travel for IHS personnel is a concern. Approximately five or six years ago the funds for travel were withdrawn at $20,000 per year for administrative travel. In 1979, mileage restrictions were implemented. Then in 1980 funding limitations were also implemented. Mileage restrictions, combined with funding limitations were also implemented. Mileage restrictions, combined with funding limitations are now impeding health efforts because of the fact that the Albuquerque Area Indian Health Service delivery area covers the State of New Mexico and the Ute Tribes in Southwestern Colorado and Southeastern Utah. Funds need to be reinstated and mileage restrictions need to be completely lifted or set at a reasonable level.

Zero Base Budgeting:

This process is a concern because the federal budget is being prepared two years in advance. Tribal leadership and representation should be encouraged on the planning of IHS budgets for efficiency and effectiveness in health services planning.

Legislation:

The Indian peoples' concerns on various pieces of legislation are growing. They feel the loss of health services, services that are currently inadequate

because of personnel ceilings, funding limitations and/or cutbacks, and other restrictions impacting on the Indian people. The following are of particular concern.

H.R. 7724, Interior Appropriations FY '81, which has in part, authorized the utilization of the IHS Zuni Hospital by non-Indians on a fee-for-service basis; problems with this action are that it sets a precedent and can open IHS hospitals nationwide for non-Indians. The Indian people have complained over the years of inadequate personnel to staff IHS facilities; funds are constantly being reduced while the Indian population is on the increase; CHR positions are to be reduced by four within the Albuquerque Area; and, on December 16, 1980, the Federal Register carries a notice for proposed rulemaking (NPRM) "Indian Health: Persons To Whom Services Will Be Provided."

This NPRM, if it becomes law, compounds problems currently facing the IHS, these are: Lack of adequate funding, manpower and facilities, to service the Indian people on tribal rolls. The law would add overwhelming numbers of non-Indians to those eligible for IHS services.

The IHS facilities and personnel would be further over-burdened. The Resource Allocation Criteria (RAC) does not consider the provisions of health services to additional numbers of non-Indians. Tribal Specific Health Plans of individual tribes also do not address this group should it become eligible for health care services.

Contract Health Services:

In-patient and specialized health care is provided indirectly through contractual arrangements in community hospitals, with which IHS negotiates contracts. In order to maintain an adequate level of contract services, this amount shall be appropriate for the following fiscal years:

FY '81	$ 8,743,000
FY '82	9,734,000
FY '83	10,956,000

An additional amount for FY '81 - '82, in the amount of $1,100,000 to meet the requirements of redesignation of the State of New Mexico as a Contract Health Delivery Area shall be added. An estimated 6,000 population has been identified to justify the additional contract health dollars. Unmet surgical funds are also needed to serve patients currently on a waiting list such as high-risk O.B. patients, cataract surgery--others; required funds are:

$330,000

Tribal Health Programs - P.L. 93-638:

It is essential to continue and expand the level of support for tribal health programs participating in government (IHS) activities. Development of tribal health administrative capabilities require long-range planning for training and educational development. The Albuquerque Area 638 budget requires the following in support of these activities:

FY '81	$1,544,000
FY '82	3,962,000

Tribal Health Planning:

P.L. 94-437 required the development of Tribal Specific Health Plans for the period FY '80-'84. The plans were drafted and submitted to the IHS, DHEW and will be further submitted to Congress. As a supplementary requirement, IHS has been mandated to develop "capability statements" for the tribal plans.

In order to qualify for development funds under P.L. 93-641, tribes are also required to participate in planning with health systems agencies. Finally, P.L. 95-626 required tribes to provide data regarding health problems, access to services and barriers to service. The main concern is that all the tribal planning requirements have been uncoordinated through IHS. These efforts have been merely an "exercise" and the actual planning is accomplished at the IHS headquarters level.

Indian Health Service Budget:

Indian Health Service being the primary sponsor for health care for our Indian people is continuously in need for greater operational facility and service expenses. The following also extends Indian Health appropriation authorization through FY '84. IHS has requested and would further demonstrate a commitment to improving the health of our Indian people. The IHS area-wide budget needed is defined by the P.L. 94-437 Extention Pack as follows:

FY '81	$ 99,000,000
FY '82	115,000,000
FY '83	131,000,000
FY '84	150,000,000

I. BUREAU OF INDIAN AFFAIRS:

The nineteen Pueblos do not have an abundance of natural resources or wealth and as such are dependent on the Bureau of Indian Affairs funding and services to meet the essential and basic needs of the tribal governments, and their people. Today, we are here to present needs which continue to hamper the social-economic progress of the nineteen Pueblo tribes.

A. Funding vs. Self-determination:

1. Equity Funding:

Eighteen of the nineteen New Mexico Pueblos receive all BIA programs and services through two BIA Agencies: the Northern Pueblos Agency which services eight northern Pueblos; and the Southern Pueblos Agency, which services ten Pueblos. Since the BIA funding formula is based on a single tribal agency basis, those agencies which serve more than one tribe are continually under-funded. Every dollar allocated to the two Pueblo Agencies must be divided eight or ten ways, respectively.

Based on FY '79 funding of BIA banded programs in the Albuquerque area, the per capita distribution shows that members of the eighteen Pueblos affected, get an average of $303 in services as compared to $730 at a single tribal agency. Another example of the inequity which exists is highlighted by the service population of the Northern Pueblos Agency in comparison to other single tribal agencies.

2. Self-determination:

The regulations for P.L. 93-638, the Indian Self-determination and Educational Assistance Act, have become a joke. BIA officials at different levels of authority continue to make different interpretations of the same rule. Tribal efforts to contract BIA programs are hampered or prohibited by lack of adequate funding, inconsistency, and a prevailing attitude on the part of many BIA officials that Indian tribes are not ready or capable of running their own programs.

3. Contract Support:

There is a present need for $2.5 for FY '81. Tribal governments need contract support funds to administer government programs. BIA, as well as congressional oversight of this important element, continues to hamper self-determination and contracting by tribal governments.

B. Statute of Limitations:

28 U.S.C. §2415 authorized the Federal Government to bring legal action against third party trespasses on tribal and individually owned Indian land. The deadline for bringing these actions to court or a final resolution has been set for December 30, 1982. Due to the complicated land titles and ownership, via Spanish and Mexican land grants, and the lack of adequate funding, the Pueblo Tribes will loose thousands of dollars in damages. While the Congress, through 28 U.S.C. §2415, allowed tribal governments until December 30, 1982, to identify third party trespass and claim damages; there were no funds appropriated to accomplish this end. The needs for adequate funding is critical. The need for FY '82 cannot be calculated in view of our dilemma. We strongly urge the Committee to provide emergency funding for this project.

C. Rights Protection:

Decisions of the Comptroller General and the Court of Appeals for the 10th Circuit have ruled that it is appropriate to expend appropriated funds to enable tribes to retain independent counsel in situations where the U.S. cannot afford representation as contemplated by 25 U.S.C. 175; i.e., when a conflict of interest arises. Congress must continue to provide funding for tribal governments to allow them the right of hiring private attorneys to defend their interest when a conflict of interest prevents the Federal Government from representing the Indian tribes. Efforts have been made to abrogate the trust responsibility of the U.S. Government by denying Indian tribes the necessary resources to defend their rights. We urge this Committee and the Congress to provide a minimum of $3 million annually for such purposes.

D. Water Resource Development:

In 1978 the President of the U.S. presented a National Water Policy which would provide an estimated $10 million for Indian water resource development. To date, the Pueblo tribes have not seen any of these funds. It is vital to the interest of Indian tribes that the Congress provide adequate funding for water resource inventories and water development projects. Adjudication or quantification of Indian water rights without such developments will be a national catastrophy for Indians.

E. Construction and Maintenance:

1. School Construction:

In 1978, the Congress mandated the BIA to prioritize Indian school contruction needs on a national basis. The BIA developed criteria to accomplish this. Since that time, the Pueblo of Laguna has worked its way up the priority list for the construction of a junior high to serve Laguna and Acoma Pueblo children only to find that there are no school monies available.

2. Road Construction:

Road construction and maintenance needs of the Albuquerque area is a high priority. The road construction in the Southern Pueblos area requires an additional appropriation of $371,000 for FY '82. The road construction needs of the Northern Pueblos require an additional $787,000. Due to inflation, road construction and maintenance needs continue to increase in terms of dollar amounts, while availability of funds stays the same each year.

3. Law and Order:

The law and order needs within the 18 tribes represented by the Northern and Southern Pueblos Agencies within the Albuquerque area continue to increase geometrically while the funding has remained the same, or with very little increase. The law and order needs for the Southern Pueblos Agency includes: 7 vehicles at $7,000; 8 officers at $1,200 - and uniforms at $10,000; and an office building (portable) at $75,000. The law and order needs of the Northern Pueblos include the following: 5 vehicles at $50,000; 12 officers at $168,000.

4. Irrigation Construction:

With the Area and Agency offices encouraging tribal enterprise development among the Pueblos, it is important that we keep in mind that irrigation construction affects agricultural enterprise development. We need an allotment more equitable than the proposed $300,000 by the Bureau.

The specific needs of the Pueblo of Sandia for rehabilitation of concrete ditches, turnouts and ditch checks is reflected in the amount of $1,415,410. This amount is needed for five specific rehabilitation areas.

III. EDUCATIONAL PROGRAMS AND SERVICES:

A. Higher Education:

There are at present approximately 5,000 Pueblo high school students. The success of our program is manifested by over 400 Pueblo Indians with college degrees. The number of Pueblo students desiring to enter college

continues to grow, however, due to increasing tuition costs, inflation, and inadequate funding for higher education, many students are unable to attend college. Funding has basically remained the same over five years. In short, fewer and fewer students will be able to pursue a college education unless we are adequately funded. We urge this Committee to add $5 million to the budget.

B. Johnson O'Malley:

Though Johnson O'Malley has been in existence since April of 1934, adequate funding has never been received to meet special educational needs of Indian students. Student enrollment has tripled throughout the Country and funding has not increased. Special emphasis is made to have Indian Committees formed to make comprehensive programmatic plans and provide fiscal services. Our total required need for Johnson O'Malley is $1,375,675.

STATEMENT OF KESLEY EDMO, FORT HALL BUSINESS COUNCIL, SHOSHONE-BANNOCK TRIBE, FORT HALL, IDAHO

ACCOMPANIED BY:
DON HOLMAN
PATRICIA MARX

Mr. EDMO. Good morning. My name is Kesley Edmo. I'm a member of the Shoshone-Bannock Business Council located in Fort Hall, Idaho. We have a rather serious problem out in Fort Hall. A sniffing problem, paint and glue. This involves children of a very young age to the older ages. We've been to just about every agency there is, but we haven't been able to get any help. We'd really appreciate, you know, any consideration that you might give us. It's a very serious problem. If you've ever been around any of these people, you know, when they're under those conditions, it's just out of this world. And we're very concerned.

We've invested some of our own money—we don't have too much money, in our alcohol center, but we just don't have the funds to take care of the situation.

Don Holman, he can fill you in on the details, because he came out there to look the situation over.

Mr. HOLMAN. Thank you.

My name is Don Holman. I was sent up to Shoshone-Bannock at the request of the tribe by the native American rights fund, initially to review the juvenile justice system and make recommendations as to long-term planning and short-term emergency needs. After meeting with several of the people up there, the primary need that we discovered was the need for a residential care facility, youth home-type, for juveniles between the ages of, say, 11 to 17. The primary problem is due to the inhalant problems, drug and alcohol abuse.

The tribal court currently has no alternatives, except for confinement in the tribal jail and probation. The tribal jail is only marginally for short-term emergency holding of juveniles, and yet being the only facility that's available, occasionally, there has to be some long term of children as young as 11, who have been held in the jail. It's not suitable new jail-type construction. It's 8 by 10 feet, iron-barred cells. Juveniles are segregated, but the isolation in that particular jail is aggravating to any emotional or behavioral problems that the children have when they go in.

Ms. MARX. Ms. Richardson, my name is Patricia Marx. I've been working on this problem now for some time. What we're requesting is not so much a facility as a house. Realizing the severe budget con-

straints that everyone is facing, we've looked at what could be done inexpensively, and we've found by talking with architects that a limited amount of work to a large bedroom BIA, HIP, or HUD home would be sufficient. So the construction we're looking for would total roughly $50 a square foot. Somewhere around $166,000 for housing of 14 juveniles. We have looked at the Bureau, IHS, EDA, BIA, HHS, and have had little success.

Ms. RICHARDSON. LEAA?

Ms. MARX. LEAA, which is not so much there any more.

At the time the bill was being considered in front of the Senate, numerous tribes came forward and said, "There may be in certain cases, the need for a facility." At that time, HUD, BIA, and IHS came forward and indicated that they were working on a program to develop youth homes on reservations. Money was appropriated by this committee and a House committee some 4 years ago for this joint interagency effort. To date, there has not been one construction start under that program.

We worked closely with Mr. George Bennett, the former Indian desk of the Department of Housing and Urban Development, who was very concerned with the bureaucratic screwup which is surrounding the situation. He indicated that he was going to try to get it off the ground. Less than 2 weeks after he started on that, his job was terminated.

We would be very, very happy to accept money from that pot, if it could be broken loose, and we're willing to do whatever is necessary to break that money loose, with an appropriate proposal; however, the Department of Housing and Urban Development has indicated to us that the 24 projects which have been on the roster now for 3 years will not be even started and ready to open in less than 1½ years, making the closest time period that we're facing for money, some 3 years.

Ms. RICHARDSON. If the home were provided, do you have the money for the staff and the care?

Ms. MARX. We've been in the process of looking at this. The request that you'll be getting from us here, does include staffing money. We've looked very tightly at what is available and found that we can operate about $10 cheaper a day than the Bureau can within home care.

And I'll summarize quickly here. We're willing to try to utilize whatever mechanism we can under the Indian Child Welfare Act to supplement staffing money. We're willing to put some tribal funds forth from existing programs. But we don't know what the staffing requirement is.

The long and the short of it is, when we talk to someone about a facility, they say, "Do you have staffing?" When we approach them for staffing, they say, "Do you have a facility?"

We're willing to work whichever way this committee is willing to assist us.

Ms. RICHARDSON. You have no one working with the children now, except those who are putting them in jail?

Ms. MARX. We do have a counseling program out there; however, the counselors cannot be on 24-hour call to the jail.

Another closing point here is the fact that the States and counties surrounding the area also have no adequate facilities. In fact, what they're doing under the Indian Child Welfare Act is referring the majority of their cases back to the tribal court. So the State and the county is will-

ing to either contract, if we could have large enough facility, with the tribe to bring some bucks in that, or they're willing to work with us in whatever mechanism is possible, and we may be able to come up with program dollars that way. Thank you.

Ms. RICHARDSON. Thank you.

[The statement follows:]

STATEMENT OF THE SHOSHONE-BANNOCK TRIBE

My name if Kesley Edmo. I am here representing the Shoshone-Bannock Tribes of the Fort Hall Reservation of Idaho in my capacity as a member of the Fort Hall Business Council. I have come here today to ask this Subcommittee's assistance in obtaining a group home and counseling staff on our reservation which will be capable of providing supervision, counseling and a sound living environment for delinquent and troubled youth.

The situation at Fort Hall is extremely serious. Statistics compiled by the Tribe's Crisis Intervention Program show:1. The Tribe has an adjusted suicide rate which is just short of being three times the national average. Most of these suicides involve juveniles. 2. A recent survey of our high school students revealed that 25% of those students surveyed have engaged in paint sniffing- an abuse directly related to brain damage. 3. Based upon medical testing of juvenile paint sniffers under counseling all have exhibited mild to severe brain damage. 4. At present, the Tribe's only method for providing adequate supervision to protect these children from their own alcoholism and drug abuse tendencies has is the tribal jail.

Our tribal court handles approximately 183 juvenile cases each year. Of these, some 92% (or 168) cases are youths between the ages of 11-17 who are before the court on drug abuse and alcoholism related matters. In each of these cases we have tried probation, returning the child to the custody of the parents and/or foster care as well as various counseling programs but we have no means of providing 24 hour a day professional care. Un fortunately, in 71 of these cases, these solutions have failed and the child has again been brought before the Tribal Court for action.

Our Tribal Judge is left with little alternative once in-home care and outside counseling have failed. We have only one probation officer with little training due to a lack of funds; very few foster homes, none of which are qualified to handle a child with a serious alcoholism or drug related problem and no tribal facility of any kind where supervision and counseling are available to youths.

Because many of these children are diagnosed as needing strong supervision, counseling and protection from their own drug abuse and alcoholism tendancies, our tribal judge has been forced in the last 12 months, to place some 62 youths between the ages of 11-17 in the only secure facility available, the tribal jail.

I am sure that every member of this Subcommittee will agree that a jail cell is not the appropriate way to deal with a child with alcoholism or drug abuse tendancies, however, in many cases it has been a better option than returning the child to their home where an environment of alcoholism, drug abuse or domestic violence often exists. One vivid example of this situation is a recent case where parents were found to have introduced a two week infant to paint sniffing in an attempt to quiet its crying.

The jail presents a very oppressive and bleak environment from which to counsel a child. Our tribal jail officials have attempted to accomodate these juveniles by setting aside two cells which are within the sight of the jailor at all times. They are however standard jail cells, 10' by 8' with only a metal bunk bed and a jail type toilet. The cell doors and windows are the standard iron-barred type. Our jail itself needs renovation, the mattresses on the beds are old and soiled and they can not be covered with mattress covers or sheets as these items have been used in a number of suicide attempts by juveniles. Our staff is also limited, allowing little staff time to provide these juveniles with exercise and recreational activity time or transportation to and from school. Our jail has no lounge or dining room so these youths are kept in their cells all day, even during meals. As recently as two weeks ago, we were forced to place an eleven (11) year old child in the jail due to a lack of any other alternative way of preventing him from sniffing paint.

While this situation makes our tribal court look very bad, we can assure you that we have tried a number of alternatives. Various foster care homes, including extended family homes have been used, a variety of probation methods including employment have been tried and some cases have become so emotional that members of our tribal staff and probation officers have taken children into their own homes rather than leave them in the jail facility. This is an imposition on professionals who already put forth a much greater effort than they have time or money for and

crestes only a temporary solution for a small number of children while building resentment and jealousy in those children who are not given such special treatment.

We are therefore coming to this Subcommittee with a serious problem. We have approached the BIA, the Dept. of Justice, the Dept. of Health and Human Services and the Economic Development Administration asking for monies to construct and staff a group home facility. The EDA (Commerce Dpt) indicated that because our request in not economic development oriented they can give us no assistance. The Dpt. of Justice indicates that it has no construction money for projects as small as this. This BIA states that they would be interested in the project however, they have no construction dollars and the Dpt. of HHS states that programs of this type should be funded by the BIA. All other agencies point to the BIA and the Dpt. of Housing and Urban Development. We have discussed this project with HUD to no avail. We have learned that HUD developed a plan to construct some 50 group home facilities on reservations three years ago. This project has been plagued with one bureaucratic delay after another and today (three years later) HUD has not constructed one project. HUD indicates that due to the in-house problems facing the first 24 of these 50 projects , it will be at least two to three years before monies will be availble for Sho-Ban to even apply for, if the program is continued at all.

Because we are aware of the critical budgetary constraints facing this Subcommittee, we have made every effort to design a facility which is adequate but still low in cost. We have studied various plans and have determined that a standard BIA,HIP or HUD home (6 to 7 bedroom units) could be made operative with little modification. We have reviewed our furnishing needs and have compiled a budget including the bare minimum in bedroom furnishings, living and dining room furnishing, basic recreational equipment and essential kitchen appliances. We are willing to do private fund raising projects for more elaborate household and recreational type equipment . The 3,000 sq. ft. facility we are asking for can be constructed at $50/ sq. ft. at a total of $150,000 and completely furnished and equipped for a one time start up cost of $16,600. This facility will be capable of housing up to 14 juveniles who will be provided with 24 hour supervision and professional counseling. A program of this type will allow the child to live in a home style environment and attend school. The youth will be attended and supervised by professionals who understand his or her emotional and physical needs and who will be available to them on a 24 hour a day basis. Programs of this type have proven highly effective in both urban and rural non-Indian areas and the home style environment is more culturally oriented to the Indian lifestyle. Indian children are used to having space to move around in. Confinement in a lock up situation such as a jail has been shown to increase hostility and depression and causes severe claustrophobia in a large percentage of Indian youth.

The site which will be provided by the Tribe will be in a rural area which is still convenient to school facilities. The Tribe's goal is to develop a ranch around the group home were the occupants will be provided with agricultural training and have an opportunity to work in a ranch surrounding. This is an ideal arrangement for these youths as most of them come from ranching families and farming and ranching are the predominant occupations on the reservation.

We are also asking this Subcommittee's assistance in obtaining staffing monies for this facility. We have studied the situation closely and conferred with experts who indicate that we need a minimum of a director, four counselors and a cook. The counselors will be needed to provide the 24 hour live in supervision the project will require 365 days a year. Additionally, these counselors will have adequate time to handle follow-up and outreach counseling of an additional 36 youths who are on probation or in foster care situations. Our staffing costs will run approximately $102,350 including fringe benefits and our yearly operational costs including utilities, office, maintenance, linen and our biggest cost food and transportation will run $45,860 making our overall yearly operating cost $148,210.

The court, probation and social services staff on the reservation agree that the home would be filled to at least 90% capacity at all times with a probability of 100% with a waiting list for acceptance. Based upon the ongoing costs of $148,210 this would result in a per resident per day cost of $32.23 at 90% capacity and at 100% capacity a cost of $28.53 per day.

While we realize the severe budgetary constraints facing this Sub-committee, we feel that our cost estimates are extremely reasonable and we encourage the Subcommittee to examine the long range potential of this program. If adequately staffed, we are 100% confident that this project will result in a lessening of juvenile delinquency, a reduction in future adult crime, unemployment, alcoholism and drug dependancy which as we have indicated is being passed from parents to children. This program will also result in a savings in BIA foster care placement costs when it is obvious that such a placement will not provide a long term solution to the problems facing a particular youth.

SHOSHONE-BANNOCK YOUTH PROJECT

BUDGET

Construction- 8 bedrooms, kitchen, dining area, living room total
3,000 sq. ft at $50/sq. ft. $150,000

EQUIPMENT-

1. Furniture and Applicances	$10,450
2. Recreationcal Equipment	$ 2,300
3. Kitchen Equipment	$ 1,500
4. Office Equipment	$ 1,350
Total	$16,600

TOTAL ONE TIME COST--(CONSTRUCTION AND EQUIPMENT).. $166,600

ON-GOING COSTS PER YEAR

Supplies

1. Linen	$ 980
2. Phones- 2 phones at $100/month	$1,200
3. Office Supplies- at $25/month/staff	$1,500
4. Postage - at $60 per month	$ 720
5. Utilities- at $350/ month	$4,200
6. Cleaning and Maintenance - at $50/month	$ 600
7. Food - at $6 per day X 5110 person days	$30,660
8. Transportation- GSA vehical rental	$6,000
TOTAL SUPPLIES	$45,860

Staff

1. Director	$20,000
2. 4 Counselors at $15,000/yr/counselor	$60,000
3. Cook	$ 9,000
4. Fringe benefits for above at 15%	$13,350
TOTAL STAFF	$102,350

TOTAL YEARLY OPERATIONAL COST.....$148,210

TOTAL REQUEST $314,810

STATEMENT OF DONALD LaPOINT, VICE CHAIRMAN, KEWEENAW BAY INDIAN COMMUNITY, L'ANSE, MICH.

Ms. RICHARDSON. Mr. Dakota of the Keweenaw Bay Tribe of L'Anse, Mich.

Mr. LAPOINT. My name is Donald LaPoint. I've replaced Mr. Dakota.

Ms. RICHARDSON. You may proceed to highlight your statement.

Mr. LAPOINT. My name is Donald LaPoint. I'm vice chairman of the Keweenaw Bay Indian community in Michigan. My reason for being here is to present some recommendations for the tribe. We're trying very hard at this point to get an alcohol treatment facility. We presently operate a center at the tribal home that serves the entire State of Michigan. We have referrals from all 83 counties in Michigan, both Indian and non-Indian. It's on the reservation. The thing is, in the past year, we received a report from the fire marshal that there were 23 infractions of the law, so we have to do something in a hurry, to come up with a new facility.

We have approached the Indian Health Service and many different organizations, looking for moneys. We've repeatedly been told that the Indian Health Service is not in the construction business. We well understand that point, but still the need is there. Presently, we have 25 beds. Their occupancy is 90 percent of capacity, and we have support letters from all of the social service organizations in the county, plus the whole Upper Peninsula area, and the State of Michigan, backing this facility.

We are asking the new facility be built. We're asking this committee to help us in getting $1,728,000 for a 14,632 square foot facility.

Some of our other concerns from the tribe concern the economic conditions. We also operate out of the same facility a Young Adult Conservation Corps. We service 636 young people from 16 to 23 in meaningful employment. We have connections with all available agencies in the county. We've done work for all those agencies. We've branched out into 10 satellites, including 7 satellites in the State of Wisconsin. They all operate out of our center. The program has been real successful. We just really hate to see it go down the drain, and we'd like funding for that.

Ms. RICHARDSON. The YACC program is not funded in the Interior bill.

Mr. LAPOINT. I realize that, but I just wanted to bring home our concerns. That's under title VIII of CETA.

Ms. RICHARDSON. Right.

Mr. LAPOINT. We are also concerned about getting a fair share of the the Bureau budget. We were concerned about the zero-based budgeting procedure, the priorities that our tribes listed under the ZBB process are not necessarily the way the budget comes back.

Our prime concern is trust responsibility, other protection rights, and another tribe would come in and list that priority way low. We're really concerned also about education. We try to operate a community college. We were concerned about what might happen to the tribal court, if Johnson-O'Malley—we're concerned because we serve a large number of students in both those programs.

Ms. RICHARDSON. Are you receiving money from the Indian-controlled community colleges?

Mr. LAPOINT. No; this is another thing. It seems like since the Bureau took over that program, they've just thrown up roadblocks to us. We haven't been able to receive funding from them. The only thing that came out of that was—as far as our community college was concerned—was a feasibility study. We're in line for another feasibility study very shortly. We've been operating our college since 1975 and have had a real good success rate with it. We operate despite the Bureau, and we will continue to go, whether we get the funding or not, because we have that desire. Thank you.

Ms. RICHARDSON. Thank you very much.

[The statement follows:]

STATEMENT OF THE KEWEENAW BAY TRIBAL COMMUNITY

Good morning Mr Chairman: my name is Donald LaPoint and I am here today representing the Keweenaw Bay Tribal Community in my capacity as a member of the Tribal Council. On behalf of the Keweenaw Bay Tribal Community I would like to thank you and the members of this Subcommittee for providing us this opportunity to address you.

Once again, the Keweenaw Bay Indian Community is coming before you to address the severe problem of inadequate programs for the treatment of Indian alcoholism in Michigan.

As you may recall, we testified before this committee last year, requesting funding to construct an alcoholism and detoxification facility on our reservation. No money has been forthcoming and the conditions have deteriorated further.

Our New Day alcoholism program at Keweenaw Bay provides the only Indian culturally oriented in-patient alcoholism treatment services to the entire Indian population of Michigan. Our present treatment center is still a state licensed coed facility. The 25 beds are occupied at a 90% capacity rate for the majority of the time.

The issue of Indian alcoholism was a critical part of the discussion during the Senate and House consideration of re-authorizing the Indian Health Care Improvement Act (IHCIA). This problem was addressed in one of the recommendations of the American Indian Policy Review Commission, in 1976. That Congressional commission was critical of the federal efforts in this area, and suggested intensifying efforts that were more culturally sensitive.

During the recent re-authorization hearings for the Indian Health Care Improvement Act, the Keweenaw Bay Tribe, along with Indian tribes nationwide expressed their concerns regarding the Indian Health Service's (IHS) refusal to construct alcoholism and detoxification facilities which were not part of an IHS hospital complex.

Staff members of both the House Interior and Insular Affairs Committee and the Senate Select Committee on Indian Affairs, reviewed the Act and stated that it was their interpretation that the construction authorization within the Act clearly included Indian alcoholism and detox centers. Subsequently language in both Committee's reports firmly reiterated that point specifically clarifying the legislative intent of the Act as it relates to this subject. That language requires the IHS to become the lead agency in addressing Indian alcoholism and detox needs.

Despite this Congressional concern, IHS has again come forward requesting only a small increase in the IHS alcoholism program and no construction money for alcoholism or detoxification facilities.

We must question the validity of the IHS position maintaining that the agency cannot fund an independent project such as we propose.

We respectfully request that the Subcommittee review its own records in regard to criminal, social and medical problems of Indians. Such a review would reveal that alcoholism and alcohol abuse is the greatest single factor in Indian crime and recidivism rates, not only for Michigan, but for the nation as well.

At the request of the Law Enforcement Assistance Administration, the Native American Rights Fund (NARF) conducted a study entitled, "Needs Assessment for Indian Offenders". That study supported the contention that alcoholism is the prime cause of Indian crime statistics. Large amounts of federal dollars are being poured into law enforcement, treating the symptoms rather than the cause of the problem.

Since 1974, our tribe has provided culturally-oriented alcoholism services for the entire Indian population of Michigan and we intend to continue to fill this need.

The Keweenaw Bay tribe is proud to state that our program is one of the few Indian-run, state licensed facilities in the country. We feel our effort is a visible step toward the IHS goal of increasing the number of fully-accredited Indian programs.

Our center served 125 patients last year. The Tribe must handle this heavy case load from the third floor of the tribal governmental building, a location that clearly inhibits our efforts. The center is short of residential space, storage space, kitchen facilities, hot water and other basics of operation. To further illustrate our need, there is no room for counseling, nor for critical detoxification segregation.

Compounding the situation, a Michigan State Fire Marshal's inspection in 1979, reported 24 violations of the state fire code. Now, those violations threaten the center with the loss of its state license and accreditation.

The location of the center in a public building hampers the program. First, the delicate nature of the program is disrupted by the routine business of the other governmental departments. The social stigma attached to alcoholism prevents potential participants from visiting the center. Such a public admission can be devastating. The present location prevents the utilization by those who desperately need the assistance the center provides.

In the face of such odds, our 11 member staff perseveres. Besides the program director and director of counseling, the tribe's center offers 4 certified counselors, a housekeeper who is a licensed practical nurse, an alcoholism education specialist, plus a doctor and additional nurse on-call.

In the past, we have approached the NIAAA, the IHS and the State, in an attempt to obtain this crucial funding. None of those agencies, nor any other agency, has been able to provide the assistance we need. The answer has always been the same: No funds or a lack of authority.

Ironically, the tribe has been informed that due to our success in lowering our unemployment rate below the 20% level, we have become ineligible for EDA Public Works funding or Department of Labor programs that have provided funding to other tribes. The IHS will not consider the request unless it is part of an entire hospital package.

Our program enjoys solid support from the Michigan community, support that we can easily document. Among letters of support in our files (copies of which are provided to the Committee in our packets) we can list: Michigan Inter-Tribal Council, the Baraga County Board of Commissioners, the Baraga County Substance Abuse program, and the Michigan Commission on Indian Affairs.

Past comments and actions by this subcommittee have shown that you are well aware of the seriousness of the problem. Alcoholism is the number one problem in Indian communities.

A remedy does exist. The re-authorization of the Indian Health Care Improvement Act broadened the authorization for our request.

We are asking this committee to assist us by appropriating $1,728,917 to build a 14,632 square foot facility to house our program. We ask you to realize that this investment will serve to decrease unemployment, crime, accidents and a number of health problems and will almost surely result in a cost saving over the years to come.

We thank you for this opportunity to present our concerns.

March 7, 1980

Fred Shelifoe-Program Director
New Day Residential Treatment
and Aftercare Facility
Route # 1
Baraga, MI. 49908

Dear Fred,

This agency is very supportive of your effort to obtain financial support for a much needed new structure for the operation of a residential treatment center for the Indian population in the upper peninsula.

You would be able to expect us to use your agency for referrals much as we are currently doing.

As you know we have a proposal in now for a treatment center to serve the Indian population in the lower peninsula. New Day Treatment Center is the main center we use at this time for Indian people, but because of the great distance from the central michigan area, (824 mi. round trip) and our limited budget, we think this would be very useful for Indians in the lower peninsula.

At this time I would like to say good luck with your endeavor to service and help our people afflicted with the disease alcoholism, in the upper peninsula. I see a real need for a treatment center located both in the upper and lower peninsula. It is my experience that the Indian individual responds to treatment more readily when he feels a direct ethnic identification with the treatment facility and their staff.

Sincerely,

Robin Johanson

Robin Johanson-Director
Central Michigan Indian Services, Inc.
7070 E. Broadway St.
Mt. Pleasant, MI. 48858

March 5, 1980

Mr. Fred Shelifoe
Program Director
New Day Residential Treatment
and Aftercare Facility
Route 1
Baraga, Michigan 49908

Dear Fred:

It is my understanding that your program is badly in need of a new facility. We recognize that in order to do an effective job, particularly in a residential treatment and aftercare facility, the surroundings and conditions of the

facility is conducive to the restoration of dignity, pride, self-worth and the overall mental well-being of the client.

Therefore, we support the request you are making to the Appropriations Committee of the United States Congress for funding of a new facility. We sincerely hope that those people with the power to make the decision recognize the great need for combatting the disease of alcoholism among our people.

Best of Luck to you.

Sincerely,

Wanda Frogg

Wanda Frogg, President
NIBADA

RESOLUTION

WHEREAS, THE KEWEENAW BAY INDIAN COMMUNITY IS A DULY RECOGNIZED INDIAN RESERVATION UNDER THE INDIAN REORGANIZATION ACT OF JUNE 18, 1934 (48 STAT. 984) AS AMENDED BY THE ACT OF JUNE 15, 1935 (49 STAT. 378), AND

WHEREAS, THE KEWEENAW BAY TRIBAL COUNCIL HAS A VITAL CONCERN FOR THE WELFARE OF ITS TRIBAL MEMBERSHIP AND IS AUTHORIZED TO ACT IN ALL MATTERS THAT CONCERN THE WELFARE OF THE TRIBE, AND

WHEREAS, THE KEWEENAW BAY TRIBAL COUNCIL HAS AUTHORIZED THE DIRECTOR OF THE NEW DAY TREATMENT CENTER TO ACT ON ITS BEHALF FOR THE BETTERMENT OF THOSE IN THE KEWEENAW BAY INDIAN COMMUNITY AND INDIAN PEOPLE OF THE STATE OF MICHIGAN AND NORTHERN COUNTIES OF WISCONSIN.

THEREFORE, BE IT RESOLVED, THAT THE BARAGA COUNTY BOARD OF COMMISSIONERS URGES THE DIRECTOR OF THE NEW DAY TREATMENT CENTER TO ACTIVELY PURSUE A CONTRACT WITH INDIAN HEALTH SERVICE TO PROVIDE FUNDING FOR A NEW PRIMARY SUBSTANCE ABUSE TREATMENT AND DETOX FACILITY.

CERTIFICATION

STATE OF MICHIGAN)
) SS.
COUNTY OF BARAGA)

I, BERNARD J. LAMBERT, CLERK OF THE BARAGA COUNTY BOARD OF COMMISSIONERS DO HEREBY CERTIFY THAT THE RESOLUTION OF WHICH THE ABOVE IS A TRUE COPY WAS UNANIMOUSLY ADOPTED BY THE SAID BOARD OF COMMISSIONERS AT ITS MEETING HELD ON THE 10TH DAY OF MARCH, A.D. 1980.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE SEAL OF THE CIRCUIT COURT AT L'ANSE, MICHIGAN IN SAID COUNTY, THIS 14TH DAY OF MARCH, 1980.

BERNARD J. LAMBERT, CLERK OF THE
BARAGA COUNTY BOARD OF COMMISSIONERS

RESOLUTION 1980-01

WHEREAS, The Michigan Commission on Indian Affairs was established pursuant to Public Act 195 of 1972 and;

WHEREAS, The Michigan Commission on Indian Affairs has the charge and responsibility of assisting Indian Tribes, individuals and organizations obtain any right due Indians of this state and;

WHEREAS, The Michigan Commission on Indian Affairs is directed to make recommendations to State and Federal agencies which have a responsibility to impact services and programs for Indian people and;

WHEREAS, The Michigan Commission on Indian Affairs is aware that many Indian people are receiving minimal or no substance abuse services from many agencies which have the responsibility to provide these services and;

WHEREAS, The Commission on Indian Affairs desires to develop self-determination and the participation of Indians in substance abuses services in this state and;

WHEREAS, The Keeweenaw Bay Tribal Council has a deep concern for the tribal people in the area of substance abuse treatment and are to be commended for their community efforts and concerns for their people and;

WHEREAS, There exists at the present time no facility which will accommodate the requirements of their program.

THEREFORE BE IT RESOLVED, That the Commission on Indian Affairs urges and supports the active pursuit of funding for a new primary substance abuse treatment and detox facility for the New Day Treatment Center

SUBMITTED: March 21, 198

APPROVED: 4 (yes) 0 (no)

(Signature) Leon M. Bevins
CHAIRMAN

(Signature) Annie Green
SECRETARY

BARAGA COUNTY SUBSTANCE ABUSE -
97th District Court
2 N. Main St.
L'Anse, Michigan 49946

DATE: March 11, 1980

TO: Fred Shelifoe, Program Director
New Day Residential Treatment and Aftercare Facility
Rte. 1
Baraga, Michigan 49908

To Whom This May Concern:

We have worked with New Day for quite some time and feel that they do make a major contribution to Baraga County. We are aware of problems within the facility and in fact the last time we visited there was a problem with water for the facility. We would very much support an appropriation to designate funds for a new facility for a New Day Treatment Center - seeing this as very appropriate and helpful to the people of Baraga County, particularly Native Americans.

We feel that a new facility would both increase their benefits to inpatient treatment patients and also perhaps help facilitate coordinated work with outpatient. It would be very helpful to all.

JoAnn P. Chabot
Counselor

March 18, 1980

Mr. Fred Shelifoe
Program Director
New Day Residential Treatment
and Aftercare Facility
Route #1
Baraga, Michigan 49908

Dear Mr. Shelifoe:

Enclosed you will find a Resolution supporting your efforts to pursue a contract with Indian Health Service for a new primary substance abuse treatment and detox facility.

I am sorry for not having met the deadline of March 13th, but the signatures that were needed on the resolution were out of town and not available.

If we can be of further assistance, please do not hesitate to call or write.

Sincerely,

Wade I. Teeple

Wade I. Teeple
Tribal Chairman

RESOLUTION

Resolution No. 80-3-13

WHEREAS: The Bay Mills Indian Community is a duly federally recognized Indian tribe which is organized under the Indian Reorganization Act of 1934 (25 U.S.C. ss476 et seq.), and

WHEREAS: The need of members of the Community for accessible medical care has been documented in the Bay Mills Indian Community Comprehensive Plan, and

WHEREAS: The members of the Bay Mills Indian Community are aware of and have utilized the old facilities at Keweenaw Bay in the past and would very much benefit from a new facility.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Council of the Bay Mills Indian Community supports the Director of the New Day Treatment Center to actively pursue a contract with Indian Health Service to provide funding for a new primary Substance Abuse Treatment and Detox Facility.

APPROVED:

Wade I. Teeple, Tribal Chairman
Bay Mills Indian Community
Executive Council

ATTEST:

Armella B. Parker, Secretary
Bay Mills Indian Community
Executive Council

CERTIFICATION

I, the undersigned, as Secretary of the Bay Mills Indian Community, hereby certify that the above resolution was adopted and approved at a meeting of the Bay Mills Executive Council held at Bay Mills, Michigan on the 7th day of March, 1980 with a vote of 3 for 0 opposed 1 absent and 1 abstaining. As per provisions of Bay Mills Constitution, the Tribal Chairman must abstain except in the case of a tie.

Armella B. Parker, Secretary
Bay Mills Indian Community
Executive Council

RESOLUTION

WHEREAS, the Saginaw Chippewa Indian Tribe, of the Isabella Reservation in Michigan is a federally recognized Indian Tribe organized under a constitution and by-laws ratified by the Tribe on March 27, 1937, and approved by the Secretary of the Interior on May 6, 1937 pursuant to appropriate provisions of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), as amended by the Act of June 15, 1935, (49 Stat. 378) and,

WHEREAS, the Saginaw Chippewa Indian Tribe, is a federal corporation chartered under the Act of June 18, 1934, (48 Stat. 984) and,

WHEREAS, the Saginaw Chippewa Tribal Council has a vital concern for the welfare of its tribal members and is authorized to act in all matters that concern the welfare of the Tribe and,

WHEREAS, the Keweenaw Bay Tribal Council has provided detox facilities for members of our community.

NOW THEREFORE BE IT RESOLVED, that the Saginaw Chippewa Tribal Council endorse the efforts of the New Day Treatment Center, located in Baraga, Michigan, in their efforts to secure funding for a new or improved center for the program.

CERTIFICATION

The foregoing resolution was duly adopted by the Saginaw Chippewa Tribal Council composed of 10 members of whom 6 constitute a quorum, 8 members were present, that the foregoing Resolution was adopted at a meeting by a vote of 8 for; 0 against; 0 abstaining; and that said Resolution has not been rescinded in any way.

Tribal Secretary

Tribal Chairman

RESOLUTION

WHEREAS, The Keweenaw Bay Indian Community is a duly recognized Indian Reservation under the Indian Reorganization Act of June 18, 1934 (48 Stat. 984) as amended by the Act of June 15, 1935 (49 Stat. 378) and

WHEREAS, The Keweenaw Bay Tribal Council has a vital concern for the welfare of its tribal membership and is authorized to act in all matters that concern the welfare of the Tribe and

WHEREAS, The Keweenaw Bay Tribal Council has authorized The Director of the New Day Treatment Center to act on their behalf for the betterment of those in the Keweenaw Bay Indian Community and Indian people of the State of Michigan and northern counties of Wisconsin.

THEREFORE BE IT RESOLVED, That the Keweenaw Bay Tribal Council authorizes the Director of the New Day Treatment Center to actively pursue a contract with Indian Health Service to provide funding for a new primary substance abuse treatment and detox facility.

CERTIFICATION

The foregoing resolution was duly adopted by the Keweenaw Bay Tribal Council with a quorum present during a regular monthly council meeting on the 12 day of March, 1980 by a vote of 9 for 0 against, and 1 abstaining.

Joan M. Bemis

Watersmeet Substance Abuse Service
Box 446
Watersmeet, MI 49969

Dear Fred,

I very much support your need for a new building for Alcoholism Treatment Services. I cannot see how the Congress of the Unites States can deny us something that is so badly needed. I do not know how to impress upon them the enormity of ~~this~~ dreaded disease called Alcoholism and our need to combat alcoholism. Why are the people of Wisconsin, and Minnasota so far ahead of us in their battle? We have to get things going some way and stop dragging our feet.

Sincerely,

Franklin James Hazen
Director of Alcoholism Program
Watersmeet, MI 49969

March 4, 1980

Mr. Fred Shelifoe, Program Director
New Day Residential Treatment and
Aftercare Facility
Route 1
Baraga, Michigan 49908

Dear Mr. Shelifoe:

It is indeed a pleasure to support your testimony to the Appropriations Committee of the United States Congress.

Min Dah Iri, Inc. has had the pleasure of working with the New Day Residential Treatment and Aftercare Facility in the referral of our clientele. I would support your need for a new facility in the

Michigan area. There are very few adequate facilities available to serve the chemical dependent. The buildings that are housing our clientele are structurally unsound. Needless to say, the facility then becomes unsafe for our people. Therefore, it becomes a hardship for our various programs to be certified by State agencies. Also, the renovation of these facilities become costly. A new facility would create a more rehabilitative atmosphere.

I am enthused that you are pursuing the possibility for a new facility and also your open door policy for our referrals.

May you continue in your quest to deliver quality services to our Indian people.

Very Sincerely,

Harold J. Frogg
Executive Director

March 5, 1980

New Day Residential Treatment and After Care Facility
Rt. #1
Baraga, Michigan 49908

Dear Friends,

We at Owl Indian Outreach stand behind and support your efforts to seek funds for a new facility. Being one of your referral agencies we can appreciate the program that you offer. We are very fortunate to have such service available to the Michigan Indian Community. We wish you continued success in your efforts.

Sincerely,

Carol Shananaquet
Executive Director

March 7, 1980

TO: FRED SHALIFOE

FROM: MARK D. HALKOLA

SUBJ: NEW FACILITY

Dear Fred:

The Western Upper Peninsula Substance Abuse Coordinating Agency has long supported your programs efforts to address alcoholism and substance abuse within the Indian population of this region. They are one of the, if not the, most serious health problem facing the Indian Community in the State.

A new facility would only improve your service capabilities, and as Coordinator, I wholeheartedly support your efforts to obtain additional funds to construct such a building. Moving your services to a new modern facility will not only enable you to improve your service capabilities for the Indians in the State of Michigan, but also to expand services to Indian populations of neighboring States.

If I may be of any assistance in your efforts, please do not hesitate to contact me.

Sincerely yours,

Mark D. Halkola

February 26, 1980

Mr. Frederick Shalifoe
Council Member
Keweenaw Bay Tribal Center
Baraga, Michigan 49908

Dear Mr. Schalifoe:

In response to our telephone conversation of February 25, 1980, this letter is is support of your new Treatment Center for Substance Abuse.

We have members who have utilized the facilities in Keweenaw Bay in the past and were given excellent care by your competant staff.

And we know that if the need arises in the future, the same excellent care will be provided.

Sincerely yours,

Wade I. Teeple
Tribal Chairman

75-548 O - 81 - 8

17 March 1980

Mr. Fred Shelifoe, Director
New Day Treatment Center
Route 1
Baraga, Mi. 49908

Dear Mr. Shelifoe,

Your Agency's need for a newer facility has been noted in our Indian Communities. Those of us in the Alcoholism field have mentioned this need over and over again. You Agency is the only Indian facility of its kind for hundred of miles to serve our Indian People with proper aftercare in their efforts to maintain Sobriety on a continuing basis. Our Hopes are with you on this new project.

Sincerely yours,

Harry Command

Harry Command
Director

RESOLUTION NO. 80-0006

WHEREAS: The Inter-Tribal Council of Michigan, Inc. is a duly organized governing body under State Charter, filed April 16, 1968; and

WHEREAS: The Inter-Tribal Council of Michigan, Inc., is located at 405 E. Easterday Avenue, Sault Ste. Marie, Michigan 49783; and

WHEREAS: Article II of the Articles of Incorporation established a joint Tribal organization representing four (4) reservations in Michigan, these being: Bay Mills Indian Community, Brimley, Michigan; Keweenaw Bay Indian Community, Baraga, Michigan; Hannahville Indian Community, Wilson, Michigan; and the Saginaw Chippewa Tribe, Mt. Pleasant, Michigan, and

WHEREAS: Inter-Tribal Council acknowledges the New Day Treatment Center has been an extremely effective primary substance abuse treatment and detoxification facility for Michigan Indians.

NOW THEREFORE BE IT RESOLVED: That the Inter-Tribal Council of Michigan, Inc. supports the pursuit by the Director of the New Day Treatment Center for a contract with Indian Health Service to provide funding for a new primary substance abuse treatment and detoxification facility.

CERTIFICATION

The foregoing resolution was duly adopted by the Executive Board of the Inter-Tribal Council of Michigan, Inc., on this 1 day of April, 1980, with 3 votes in support, 0 votes in opposition, and 0 votes abstaining.

Frederick Dakota, Chairman
Inter-Tribal Council of Michigan, Inc.

April 15, 1980

Mr. Fred Shelifoe, Program Director
New Day Treatment Center
Route 1
Baraga, Michigan 49908

Dear Mr. Shelifoe:

The following is a resolution adopted by the L'Anse Village Council at their regular meeting held on Monday, April 14, 1980. This resolution was adopted by unanimous vote.

WHEREAS, this Council has been informed that the New Day Treatment Center intends to apply to the Indian Health Service for the funding of a new primary substance abuse treatment and detox facility, and

WHEREAS, this Council considers that the Center has rendered and continues to render valuable and much needed services to the people of Baraga County on a totally non-discriminatory basis,

BE IT RESOLVED that this Council does hereby endorse and support the work, services and programs of the New Day Treatment Center and does strongly urge that the Indian Health Service cooperate fully with said organization and grant such funding as may be applied for in connection with a new primary substance abuse treatment and detox facility.

I, G. Glen Sands, duly elected and acting Clerk of the Village of L'Anse do hereby certify that the foregoing is a true and correct copy of a resolution passed by the L'Anse Village Council at their regular meeting held at L'Anse, Michigan on Monday, April 14, 1980.

G. Glen Sands

G. Glen Sands, Clerk

STATEMENT OF DONALD LaPOINT, MICHIGAN INTER-TRIBAL COUNCIL

ACCOMPANIED BY:
CARL CAMERON, ASSISTANT EXECUTIVE DIRECTOR
PATRICIA MARX

Mr. LAPOINT. My name is Don LaPoint. I'm here representing the Michigan Inter-Tribal Council. To my left is Carl Cameron, the assistant executive. To my right is Patty Marx.

It's an honor to be here. We're concerned over the economic conditions, bringing back memories of the Great Depression of the 1930's. Some of our concerns focus around the Young Adult Conservation Corps, CETA programs, and one of our concerns is also in regard to maintenance of tribal facilities.

Tribal organizations today are facing threats of escalating costs for heating their tribal buildings. It's costing to heat our facilities—it's just outrageous. Like everyone has found out in this last year, and especially in this past few months, each month the costs keeping going higher, and we're really concerned about energy and heating systems.

We're concerned in the area of tribal economic development. We believe that we need to create a base of self-supporting economic activity. That would be a key to the long-term, permanent employment on the reservation. We would like to encourage new business to locate on the reservation. This as a source generating funds to keep those businesses operating.

We have very few in operating terms on our reservations in Michigan. We are concerned about the moneys. I come down to the Michigan agencies and the Minneapolis area office, and we didn't list any previous year because the figures are inadequate anyway. They are really very low compared to the other tribal groups in the tristate area.

The Michigan agency is at its infancy stage of development. They have only been existing for the last 6 years, and as elected tribal officials it is our duty to bring this to your attention to get the distribution more on an equity basis.

Funding and education programs serving Michigan Indians, I believe the ratio of students that we serve is equal to that of the State of Wisconsin, equal that of the State of Minnesota, yet our funding is way, way down, and we do an excellent job.

Ms. RICHARDSON. In the administrative area.

Mr. LAPOINT. In the administrative area it takes up a very, very small portion. We have tried to maintain just a wee bit in there for administration. We try to get as much money as we can to the kids. And we keep turning kids back. We had to send about 123 letters to our students 10 years ago. We had a hard time to get an Indian student to accept the scholarship. When I listen to people from Western Michigan University say that they went all through the State and they couldn't find two Indians to fill scholarship positions and we have 200 or 300 kids a year coming from the reservation going to school just since the 1970's, and then we are turning back 123 of our kids who want to go but they can't go because there are no funds. It is just ridiculous. When the money is there, when it comes from D.C., funneling up to us, it doesn't happen.

I have knocked on many doors here to try to get them to shake loose our money and I intend to keep knocking on doors until they do that.

Ms. MARX. Ms. Richardson, I think one of the problems in Michigan is many of the programs are very young. The programs in the other State areas have been in existence for some time and are continuing to be funded. With the lack of increase in the education program, for example, it makes it very difficult for tribes to start new programs or to begin to implement effectively what they have been doing.

The bill, and maybe quite rightfully so, is concerned about keeping existing programs in operation at their current levels. However, if you have got a tribe that is trying to get started up, it is the startup money that always seems to be taking the hatch off the top, and it is having its real tolls in education, because Michigan has started to turn out some very, very qualified people.

The problem is, once you get the momentum up and you get the kids interested and the money doesn't come down, it is a discouraging element. It is tough to pick up on again. And every time that a child begins not to count on that funding and go to other sources, either loans or otherwise, what happens? They don't come back next year. Then the Bureau says well you don't have that student to count this year.

So it is a catch-22.

Mr. LAPOINT. And again here we are displeased with ZBB on the decisionmaking process, because we don't really get what we truly would like to see from out of the survey's budget.

Thank you.

Ms. RICHARDSON. Thank you very much.

[The statement follows:]

Statement of the Inter-Tribal Council of Michigan, Inc.

On behalf of Inter-Tribal Council of Michigan, Inc., representing four federally recognized tribes in Michigan which include: Bay Mills Indian Community, the Hannahville Indian Community, Keweenaw Bay Indian Community and the Saginaw Chippewa Indian Tribe, Inc. I would like to express our appreciation for the opportunity to testify before this committee. With me today is Mr. Carl D. Cameron, Assistant Executive Director of Inter-Tribal Council of Michigan.

It is an honor to be able to appear before this committee, to share with you the concerns of the reservation Indians of Michigan comprising our membership. We are acutely aware of the magnitude of the problems facing our country today in regard to not only balancing the budget, but also in restoring a faith in our people in charge.

We are faced with economic conditions today that bring back memories of the great depression of the 1930s'. The location of our reservation Indians of Michigan comprizing our membership is such that they are right in the middle of areas of Michigan most apt to experience an economic slump. The economy of the tribes is directly affected by the economy of the area, the sad part about this is that there are not jobs!

The plight of the State of Michigan is felt by people from Toledo, Ohio to Copper Harbor, MI. Tell us of the economic crunch, we do experience it on a daily basis. The economy near our reservations at best, reflecting full employment in good times, leaves much to be desired. Our tribal groups are highly dependant on the touris industry, seasonal jobs, or the available work in the surrounding communities.

Our youth are most affected by the economic conditions today. Work is the best therapy for a sick economy, but where is one to look, when there are no jobs!

The YOUNG ADULT CONSERVATION CORPS is a program designed to serve youth, ages 16 to 23. At present the base of operations is at the Keweenaw Bay Indian Community in Baraga, MI., Seven Satellites are located as follows: Bad River, Red Cliff, St Croix, Lac Courtes Orielles and Lac du Flambeau in Wisconsin. Camps operate at the Sault Ste Marie Tribe and at the Hannahville Reservation at Wilson, MI.

The Young Adult Conservation Corps is the only source of employment in the area working with all units of government in the county. Over the past three years 635 youth were employed in the program. YACC provides work experience training along with employment. It returns public benefits directly proportinal to dollars spent.

"It's a welcome sight to see our young people dressed for the elements, with hard hats, lunch buckets and thermos jugs, ready to start work at 7 a.m. to face the challenges of that new day, working on a project that is beneficial not only to the individual, but to the total community." one tribal leader said recently.

YACC is a program that works, this and other programs that work, we at the tribal level would like to see continued. Without continuation of YACC., 70 to 90% of the area youth will be unemployed.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA)

The abolishment of Title IId and Title VI of the Comprehensive Employment and Training Act (CETA) would in fact eliminate the total program as experienced by Inter-Tribal Council of Michigan on the reservations served by ITC of Michigan. At the present time we do not have participants enrolled in classroom training as allowed by provisions of CETA or On-The Job training programs. At our last meeting of the governing board directed the Inter-Tribal Center staff to change the direction of our CETA program and place more emphasis on classroom training and O.J.T. This shift in direction adheres to the national policy and intent, however, the public services (PSE) Employment component of the CETA program augmented many key tribal positions.

Total eleimination of these public service positions will have a very negative impact on tribal government operations.

MAINTENANCE OF TRIBAL FACILITIES

Tribal organizations are feeling the effects of the escalating costs of fuel used for heating. Each month the costs keep getting higher and higher. We live in an area that requires the heating systems to operate for a longer heating season that the rest of the country. The development of Energy efficient heating systems is a must in order for tribes to cope with this critical situation.

TRIBAL ECONOMIC DEVELOPMENT

Creating a diverse base of self supporting economic activity is the key to providing long term permanent employment on Indian Reservations. Currently there is a dependence on federal grant funds to provide assistance to many Indian people. In part, this is a result of past federal spending practices, which encourged Tribes to accept this "free money." Over a period of time, the Tribes began to count on these funds as part of their yearly income. As this policy reverses itself and grant money now becomes scarcer, unemployment and related problems increase. By replacing the federal funds by self-generatined funds, those problems could largely disappear.

Encourging new business to locate on the reservation is perhaps the best method of producing these self-generated funds. This doesn't mean only one type of business, but a diversity of businesses, which would employ people with varying skills. Diversification would also tend to strengthen the Tribal economy, providing a buffer against the possibility of one or more failures. Initially federal grant money could be used to do the preliminary studies, with the emphasis switching to business loan packages to augment grant funds as progress is made in developing the economic base. Decreasing the dependency on the federal government will ensure the economic viability of the tribes in the troubled financial times ahead.

THE MICHIGAN AGENCY OF THE BUREAU OF INDIAN AFFAIRS

The Michigan Agency of the Bureau of Indian Affairs, located in Sault Ste. Marie, Michigan is still in the infancy stages of development. Funding is funneled to the Michigan Agency from the Minneapolis Area Office, Bureau of Indian Affairs.

As elected tribal officials, it is the duty of tribal governments to insure that our people partake of the services available to them, it is also our duty to see to it that our tribal organizations are provided with all of the services to which they may be entitled to.

The Congress of the United States of American has declared its commitmentment to the maintenance of the Federal Governmentt/s unique and continuing relationship with responsibilities to Indian people through the establishment of a meaningful self-determination policy allowing tribes to co nduct, plan and administer programs and services in an orderly tranistion from Federal domination. (93-638)

In a recent meeting of the Tribal Leaders of the Minneapolis Area a resolution was passed asking that the Minneapolis Area Office be the receipient of more funds, from the Bureau of Indian Affairs, for use by tribal units under the direct supervision of that agency. The resolution called for equity distribution of such funding made available to the Minneapolis Area Office.

At this point we would like to review past relationships between the federal government, Bureau of Indian Affairs and the federally recognized Indian tribes in Michigan. To further illustrate the relationship we must go back to the years 1936-1939. A total of 28 homes were built in Michigan on the four reservations. Constructed on a revolving loan program, the homes were little more that shells, lacking adequate insulation, electricity, running water or toilet facilities. Eight of the homes constructed, by the Work Project Administration (WPA) were referred to as half-homes and exist to this day as a testimony to the kind of commitments Indian people received from the feds.

The relationships between the tribes in Michgian to those services by the Great Lakes Agency of the Bureau of Indian Affairs, located in Ashland, Wisconsin should be touched on here to show how the present Michigan Agency came into existence. Great Lakes Agency was originally designed to service federally recognized tribes in Wisconsin and Michigan and it was because that commitment was not met ie., the Great Lakes Agency failed to provide adequate services to the Michigan tribes. One of the ealy objectives of Inter-Tribal Council was geared toward the establishment of a Michigan Agency of the Bureau of Indian Affairs. The Congress of the United States honored the request of the people of the tribes in Michigan and authorized the establishment of the Michigan Agency. No additonal funds were provided for the operation of the new Michigan Agency however, operations were started with break away funds from the Great Lakes Agency.

Comprehensive planning is needed by tribal organizations to fully effect the operation of the Michigan Agency to best service the needs of reservation Indians in Michgian. The tribes have not been afforded the opportunity to sit down with the heads of the Michigan Agency and the Minneapolis Area Office to say this is where we are today, this is the direction we are going, this is where we will be by the year 1986, this is where we will be in 1990.

EDUCATION PROGRAMS SERVING MICHIGAN INDIANS

During the 1981 Fiscal Year as of January 14, 1981 through the Michigan Intertribal Education Association (MITE) Bureau of Indian Affairs Higher Education Scholarship program there have been a total of 169 students who have received funding for this school year.

A total of 148 applications from students have been received. APPLICATIONS RECEIVED & NOT FUNDED FOR VARIOUS REASONS: A total of 123 letters have been sent to our prospective students telling them that their APPLICATION WAS RECEIVED BUT THAT THERE ARE NO AVAILABLE FUNDS.

MICHIGAN TUITION WAIVER PA #174. During 1979 a total of 414 Indian students in the state of Michigan utilized the Indian Tuition Waiver allowed under provisions of PA 174. in 1980 a total of 335 sutdents utilized the tuition waiver programs. It has come to our attention that Pub lic Law 174 in the State of Michigan allowing for the Tuition Waiver for qualified North American Indian Students meeting the eligibility requirements set forth in the rules and regulations have caused undue anxiety to our students. The concern is regarding the State of Michgian reimbursements to the institutions of higher education for tuition costs as authorized by legislation by the state of Michigan.

The Bureau of Indian Affairs grant awards made to students have been based on the assumption that the State of Michigan Colleges and Universities supported by the State would be reimbursed by the State annually as provided in Section 2a of the amended act.

EMPLOYMENT ASSISTANCE, DIRECT EMPLOYMENT AND ADULT VOCATIONAL TRAINING information for the Inter Tribal Council of Michigan. Since 1976 the Inter Tribal Council Employment Assistance Progdam has funded a total of 665 students. No figures are available at this time on the numbers of students serviced for FY 1981 however, in 1980 using the Inter-Tribal figures only: Funded: 39 Direct Employment and 11 Adult Vocational Training with the amount of funding being $158,000. The budget for F. Y. 1981 is set at $100,000. for Inter Tribal Council of Michigan.

Recently two tribes in Michigan have received Federal recognition. The Sault Ste. Marie Band of Chippewa Indians and the Grand Traverse Band of Ottawa and Chippewas . Congress in granting federal recognition to these tribes did not appropriate additional monies to help to alleviate the situation being faced by the Michigan Agency of the Bureau of Indian Affairs.

The tribes in Michigan worked at great length with Inter-Tribal Council of Michigan to arrive at funding levels with the completion of supporting documents.

The ZERO BASED BUDGET decision ranking chart is another factor that compounds the allocation of resources to the tribes. Each tribe has different priorities in meeting the needs of their respective communities, therefore, priority setting in many cases results in the reduction of funds available for programs that are not ranked as high as they were in previous years.

STATEMENT OF JOSEPH ABEYTA, SUPERINTENDENT, ALBUQUERQUE/ SANTA FE INDIAN SCHOOL

ACCOMPANIED BY:

ROLAND JOHNSON, PRESIDENT, PARENT ADVISORY COMMITTEE
CHRIS BACA, PRESIDENT, STUDENT COUNCIL
WILLIE ESTEBAN, MEMBER
LEONARD SELESTEWA, STUDENT

Ms. RICHARDSON. The Albuquerque/Santa Fe School Board.

Mr. ABEYTA. My name is Joe Abeyta. I am superintendent of the Albuquerque/Santa Fe Indian School. I would like to introduce the people who are at the table. First of all, on the left is Mr. Roland Johnson, representing the parents of both the Albuquerque and Santa Fe campuses; Mr. Chris Baca, who is president of the student council; Mr. Willie Esteban, who is a member of our school board; and Leonard Selestewa, who is also a student with us today.

The testimony that we have got for your this morning is broken up into six parts. I would like very briefly to summarize it and then talk about something that is of critical importance to all of us.

The first part of the testimony is simply an introduction talking about the All Indian Pueblo Council under contract that we have entered into with the Bureau of Indian Affairs for the operation of a school program for students grade 7 through 12.

The second part of our testimony talks about the Albuquerque Indian School.

The next part talks about the Santa Fe Indian School.

Then we have got a statement regarding a model dormitory project, something that we have entered into this last year. That is in the process of getting off the ground.

Finally, we have got comments in regard to 638 and comments in regard to 561, two of the pieces of legislation that are the basis for the operation of our program, and some of the difficulties that we have had in getting interpretations that support our program.

However, the most important part of our statement has to do with what we consider to be the gross neglect of our kids by the Federal Government in terms of their health and safety.

On February 6 there were 28 lives nearly lost at the Albuquerque Indian School because of carbon monoxide poisoning. I suspect possibly you heard about the incident at this point.

Ms. RICHARDSON. I read the report that you provided to us on the dorm.

Mr. ABEYTA. It is quite a critical situation, and the Albuquerque All Pueblo Council has continually demanded that their children be educated in safe facilities which are in Santa Fe. Last year five condemned

buildings on the Albuquerque campus were judged unfeasible on the basis of the Indian affairs study. And when the Albuquerque area decided to demolish the buildings the decision was overridden by a Washington central officer.

As a result, presently we still have those five buildings on campus that are boarded up and in our opinion constitute a high risk as far as our kids are concerned. If you know kids the way we know kids in the seventh and eighth grade we are concerned that they are going to be climbing around in those condemned buildings and we are going to have another accident.

Continually over the last 3 years we have had one problem after another, and we seem to be not listened to. We have had no response in terms of our concern.

We have been audited as recently as yesterday by the Bureau of Indian Affairs. It has been one continual flow of people coming to Albuquerque to see whether or not we are doing what we say we are doing, and everyone comes away agreeing that we have got an A No. 1 program, a program that should be complemented rather than destroyed. In spite of all of that we have had no consideration given to our facilities.

The requests that we have got, in a nutshell, the request that we have got that is so very, very important to our survival has to do with allowing us to move our seventh, eighth, and ninth graders from that condemned facility in Albuquerque to the Santa Fe campus.

That essentially is the heart of our testimony. If we could get some concessions in that regard we would be very happy and we would be very anxious to report back to you a year from now in regard to the progress that we have been able to make.

I would like at this point to allow Mr. Johnson to comment on behalf of the parents, as he is such an important part of our testimony, because just before we came out here we had a delegation of parents, there must have been 150, 200 people that came to Albuquerque questioning us, school administrators and school officials, wanting to know why we are continuing to have to subject their kids to the facilities in Albuquerque and wondering what might be done.

As a matter of fact, there was a movement on the part of a number of our parents to start selling cakes and cookies to raise money so they could come themselves to talk to the people in Washington and see if they might get a response.

But in that regard, Mr. Johnson is here to make a statement, if he may.

Ms. RICHARDSON. Mr. Johnson.

Mr. JOHNSON. Thank you very much.

Several years ago when the All Indian Pueblo Council began to consider the matter of contracting for the operations of, at that time, the Albuquerque Indian School the parents who live in the communities overwhelmingly and enthusiastically supported the movement by the All Indian Pueblo Council.

The reason for our enthusiastic support was for the reason that we were extremely concerned about the lack of quality education which was available at that time, the lack of good quality and good sound

education, which was not available to our youngsters at that particular time.

Parents at that time had the option of either enrolling their youngsters in a public school system or, perhaps, at the Albuquerque Indian School as it existed at that time under the direction of the Bureau of Indian Affairs.

We were convinced as parents that we could develop a sounder educational program if given the opportunity to do so. So at our encouragement the All Indian Pueblo Council did contract with the Bureau of Indian Affairs to operate the Albuquerque Indian School.

Over the years, I think, with the support of the parents the administration of the Albuquerque Indian School has demonstrated that it can and that it could and that it did develop a sound educational program.

We have a program existing at the Albuquerque Indian School which I think fulfills or at least attempts to begin to fulfill the needs of students, the individual needs of students in many areas.

We have a number of programs that are designed to assist a youngster with behavioral problems. We have programs which are designed to accommodate those youngsters who are talented and gifted. These are programs that we did not see existing within the old Albuquerque Indian School program, nor within the public school programs that our children have to attend.

We as parents are no different from any other parents in any society. I think we expect the same things for our children. We would like to see our children educated in a program which is of the highest quality. We would like to see our children educated in an environment which is safe, and this has been, of course, an area which has been of extreme concern to those us who are parents of students in attendance at the Albuquerque Indian School in particular. Mr. Abeyta just cited a more recent situation, and this is just one of a number of situations that have occurred over the years. Of course, our situation has endangered the lives of our children.

Ms. RICHARDSON. You do have the support of your Senators for the move, as I understand it.

Mr. ABEYTA. Yes, we do. The State of New Mexico has been very, very supportive, and we hope that the problem is going to be resolved quickly.

Ms. RICHARDSON. You have to do something.

Mr. JOHNSON. And again, I will reiterate that we as parents only ask that our children be afforded an opportunity to be educated in a setting which will afford them education of the highest quality, a safe environment and one that accommodates their special needs, including their cultural needs.

Thank you very much.

Ms. RICHARDSON. Thank you very much.

Mr. ABEYTA. We are very, very proud of our program. We would be happy to answer any questions that you might have in that regard.

Ms. RICHARDSON. Senator Schmitt's office dropped the report by the office, and I did have a chance to go over it before the hearing. It does sound like you have a good program, and I hope we can get these last remaining problems resolved soon.

Mr. ABEYTA. We have got a good program, we are very proud of it and we would appreciate anything that you would be able to do on our behalf.

Ms. RICHARDSON. Thank you.

[The statement follows:]

STATEMENT OF THE ALBUQUERQUE/SANTA FE INDIAN SCHOOL BOARD

Mr. Chairman and members of the Subcommittee on Appropriations for the Interior and Related Agencies, my name is Joseph Abeyta, I am Superintendent of the Albuquerque/Santa Fe Indian School which is operated by the All Indian Pueblo Council under the provisions of P.L. 93-638 (The Indian Self-Determination and Education Assistance Act). Present with me today are: Mr. Stan Pino, School Board member, Mr. Roland Johnson, President of our Parent Advisory Committee, Mr. Chris Baca, President of the Student Council, and Mr. Leonard Selestewa, Representative of the Student Council.

Mr. Chairman and members of the Committee, we come before you today to present testimony on some of the current vital educational needs of the Indian children attending Albuquerque/Santa Fe Indian School.

INTRODUCTION

The All Indian Pueblo Council, representing the nineteen (19) Pueblos of New Mexico, contracted the Albuquerque Indian School program on July 1, 1977. An Indian School Board and a new staff began an educational program of excellence under the leadership of the Pueblos and neighboring tribes. The program has grown and is successful in spite of deficient facilities and administrative delays caused by the Bureau of Indian Affairs' Central Office. Today, the school is recognized locally and nationally for the outstanding program it offers to approximately 500 Indian children.

In July, 1979, Mr. Forrest Gerard, then Assistant Secretary of the Department of the Interior, approved the relocation of the Senior High program to the better maintained facilities at Santa Fe. The 1980 Recontract-

ing Proposal sought to contract the Santa Fe Plant Management and move the ninth grade to Santa Fe, seeking a unified four-year high school program. These requests were denied by the Bureau of Indian Affairs' Central Office on grounds of possible "deleterious effect." After school began, the Bureau reversed its opinion on the ninth grade move. Consequently, the All Indian Pueblo Council now bears the inconvenience and expense of operating two schools for children on campuses sixty miles apart.

Mr. Chairman, it is our intention that the Senior High Indian children remain in the safe environment of the Santa Fe campus and that immediate action be taken to move the Junior High program to that location. (Attachment 1)

ALBUQUERQUE INDIAN SCHOOL

The Albuquerque Indian School enrolls 204 children in grades seven through nine. Academic instruction is accompanied by the following components: Residential Living, Recreation, and Student Support Services. Evaluators have concluded that the All Indian Pueblo Council has implemented a successful educational program despite poor facilities. The consultancy firm of Rebert-Duquette and Associates stated in their evaluation that "...the leadership, staff, students and parents... have not just been running as fast and hard as they can. They have been flying! We commend your efforts, we admire your achievements, we envy your spirit and we humbly suggest you keep up the good work."

And yet, children at Albuquerque sleep in dormitories built in the 1950's as temporary structures, attend classes in portable trailers, and play ball in a

condemned gymnasium built in 1923. The facilities are not only outdated and hazardous, but are also in violation of the proposed standards set by Title XI of P.L. 95-561.

Numerous studies reiterate the inadequacy and potential danger of the existing structures. In 1965, Philleo Nash, Commissioner of Indian Affairs, stated that "The present (Albuquerque) Indian School plant is antiquated; some of the buildings are in such bad condition that any idea of rehabilitating the existing plant has been abandoned." Eleven years later, Don Hershberger of the Albuquerque Fire Department warned that "The older buildings are in violation of many National Fire Prevention and Life Safety Code Requirements." As recently as February 6th of this year, 22 ninth grade students and 6 staff were hospitalized for treatment of carbon monoxide poisoning due to a malfunctioning furnace in the only renovated dormitory on campus. Anxious parents are threatening to keep their children home until their safety and welfare can be guaranteed.

The Bureau has commissioned at least 14 studies over the past 16 years, all with the same conclusion: <u>The campus is unsafe</u>. (Attachment 2) Recently, the Bureau has let yet another contract to study the facilities and to develop a five-year educational plan. These continual studies interfere with the functioning and goals of the Junior High School program and are carried out without consultation or input by local tribes.

Our own determination, based on a 1979 study by the architectural firm of Chambers and Associates, is that the total amount needed for constructing a permanent educational institution to serve as an alternative to the present Albuquerque facility is 20 million dollars.

SANTA FE INDIAN SCHOOL

The Santa Fe Indian School enrolls 298 children in grades ten through twelve. The academic program is certified by the State of New Mexico Department of Education and accredited by the North Central Accreditation Association.

The school was constructed in the late 1890's for the use of the surrounding Pueblo communities and tribes as a high school. In the 1960's, the facility was converted by the Bureau of Indian Affairs into a national Indian art school. Opposition by local Indian tribes was disregarded.

The Santa Fe Indian School and the Institute of American Indian Arts now share facilities. The campus is divided between a locally controlled high school and a school controlled by a Bureau of Indian Affairs' Board of Regents, selected individuals who do not have an identifiable Indian constituency. The Institute of American Indian Arts denies Santa Fe Indian School students access to the library in the evenings; causes frustration among high school students and faculty; and appears to resent the presence of local people through harrassment and intimidation.

The Santa Fe Indian School provides an outstanding educational program. An example of this excellence is the Accelerated Learning Program, which insures individual educational plans for 80 gifted and talented students, and which will eventually be the basis for an academic program for all students. A second example is the Spirit of Art program which offers art classes, evening community workshops, film festivals, school assemblies, and a drama and speech club.

The Santa Fe campus would provide excellent

facilities for grades seven to twelve of the Indian School if the failing art program were relocated at another post-secondary institution. Unlike the Albuquerque campus, it would only require minor renovation in order to serve local high school children. The cost of upgrading this campus is estimated to be 3.6 million dollars.

MODEL RESIDENTIAL PROJECT

Historically, Bureau of Indian Affairs' residential programs have been severely criticized by Indian communities. The Indian Health Service and the Bureau of Indian Affairs have funded for one year (1980-81) the Albuquerque Indian School to plan an alternative effective management and administration of a "Model Dormitory Program" for Native American youth. Identification and documentation of successful experimental strategies and approaches will be conducted. The success of a Control Group (50 students) will be compared with an Experimental Group (50 students) at the end of the year.

After the 1980-81 year, Albuquerque Indian School needs guaranteed funding to implement the Residential Academic Center. Because of the critical issue, $360,000 is needed for FY'82.

P.L. 93-638 (THE INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT, 1975)

The mandate to "facilitate Indian control in all matters relating to education" is being met with bureaucratic resistance. A mere 34 schools across the nation have "gone contract." At 2 conferences sponsored by the Santa Fe/Albuquerque Indian School Board for contract schools, the following major problems were identified:

1. Requirement of contract schools to adhere to reporting, monitoring and evaluation procedures not required of Bureau-run schools.

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2. Arbitrary interpretation of rules and regulations by the Bureau during the recontracting cycle.

3. Sporadic, inefficient, and untrained technical assistance.

4. Central Office neutralization of Area Office personnel to administer policy.

5. Unavailable funding for indirect costs.

6. Bureau ignorance of contract procedure and legal mandate.

7. Development of P.L. 95-561 without due consideration of the law's impact on P.L. 93-638.

P.L. 95-561 (TITLE XI, THE INDIAN BASIC EDUCATION ACT, 1978)

The intent of this law is to equalize funding for all Bureau schools through a set formula, and to impose standardized curriculum, personnel requirements, and facilities. P.L. 95-561 thus directly conflicts with the policy of Indian Self-Determination as stated in P.L. 93-638. These philosophically opposed laws intensify rather than solve problems. Basically, contract schools are being told to decrease the quality of their programs to meet Bureau standards. The implementation system for P.L. 95-561 is dysfuctional because:

1. Student enrollment statistics required for formula funding are unretrievable from the Bureau's Management Information System.

2. Interpretation of rules and regulations of student count weeks by the Bureau Central Office has been changed without tribal consultation (Barlow memo: September 30, 1980).

3. Bureau forms for implementing the law are often unavailable.

4. Technical assistance requests for interpretation of rules and regulations have not been answered (Letters to Barlow: December 17, 1980 and January 7, 1981).

5. Because the Bureau has not developed weighted factors, gifted and talented students are not being funded for the coming year.

6. School standards are being developed by the Bureau without tribal consultation as required by law.

7. Contract school accounting system must convert to Bureau requirements although the contract accounting system supplies the same answers.

In conclusion, Mr. Chairman, review of this testimony and supporting documents will reflect the following needs:

I. Return the Santa Fe Indian School to area tribes for their use as a Junior-Senior High School program, and transfer the small art program to the Southwestern Indian Polytechnic Institute or Haskell Junior College.

II. Allow the contracting of Plant Facilities at Santa Fe as part of the P.L. 93-638 Recontracting Proposal, 1980-81.

III. Appropriate 3.6 million dollars to upgrade the Santa Fe Indian School facilities.

IV. Require that the Bureau of Indian Affairs develop regulations which enhance local tribal goals and needs and assert principles of self-determination.

V. Appropriate $360,000 in FY'82 for the Residential Academic Center.

For the record, we would like to submit the following documents:

1. Position Papers.

2. Facility Reports - Summary Statements.

ATTACHMENT 1

POSITION PAPER

Albuquerque/Santa Fe Indian School
and
Institute of American Indian Arts

For the past two years, the All Indian Pueblo Council, the National Council of American Indians, the National Tribal Chairmen's Association, and many other Indian Tribes and organizations have requested that the Santa Fe Indian School campuses be returned to the area tribes for their use as a junior-senior high school program, and that the failing art program (IAIA) presently located on the Santa Fe campus be transferred to one of the other accredited post-secondary educational institutes (Southwestern Indian Polytechnic Institute or Haskell Junior College). We have continuously pointed out that:

1. The Santa Fe campus was built for the Pueblos and other area tribes in the 1890's for use as a high school.
2. The program of academic excellence at Albuquerque Indian School has demonstrated that Indian Self-Determination has succeeded but cannot continue on the Albuquerque campus because of the condemned facilities which pose a threat to the safety/well-being of staff and students.
3. The Santa Fe facility was built for over 500 high school students, yet for the past 5 years, the art school has attracted less than 100 active art students to its program.
4. As a result of low enrollment at the art school, the BIA will spend in excess of $16,000 per student per year in FY-81.
5. After 18 years the art program remains unaccredited.
6. There is a waiting list of applicants to add to the approximately 500 students presently served by the Albuquerque/Santa Fe Indian School program which is accredited by both the North Central Accreditation Association and the State of New Mexico.
7. It is morally right and financially sound for the Pueblos and area tribes through the All Indian Pueblo Council to recover the Santa Fe Indian School campus that was taken from them without their consent or consultation.
8. In June, 1980, the Department of Interior notified us that the Santa Fe Indian High School children must vacate the Santa Fe campus by 1982 and return to the condemned facilities in Albuquerque.
9. We will continue to fight for the Santa Fe campus and recommend to move the small IAIA art program to the Southwestern Indian Polytechnic Institute (SIPI) where more students are wanted and needed.

For further explanation of these issues please see the attachments.

POSITION PAPER

"INDIAN SELF-DETERMINATION"

The Future Role of Institute of American Indian Arts
and Albuquerque Indian School

Public Law 93-638 (the Indian Self-Determination and Educational Act) was a congressional effort to meet the local needs of Indian communities as determined by themselves - not needs as determined by Washington; not needs as determined by national boards; but needs as determined by Native Americans who know their own problems and solutions better than anyone else. In the past,

federal monies with federal designs have been thrown at local situations creating results unsatisfactory to everyone.

Two examples of this type of mismanagement are: creation of Institute of American Indian Arts and past operation of the Albuquerque Indian School. Both schools were started in the 1890's to meet the needs of youth of the Pueblos and other local tribes (Navajo, Utes, Apaches). Both schools became self-sustaining communities, growing their own food, with academic training and rigorous vocational programs. Both schools were known throughout the Southwest and Nation as being the educational training centers for local Indian leadership. With strong community support, each schools' progress closely paralleled the other, until the late 1940's and 50's, but then due to a National Policy change each school became something entirely different. So called "off-the-reservation boarding schools" were deemed by the Bureau as being of the lowest priority and the Bureau period of neglect and mismanagement of these school began.

Albuquerque Indian School in the 60's became known as the "worst school" in the Bureau system: students were social referrals who were "warehoused". Drinking, drug abuse, AWOL's and fighting were common. Many permanent facilities were demolished or allowed to deteriorate.(1)

Santa Fe Indian School in the 60's became the target of a national group to turn it into an Arts School.(2) Federal policies and Bureau indifference allowed both schools to be lost and/or changed without any local involvement by the communities traditionally served by the schools.

Local communties, therefore, had no reasonable choice on where to send their children for a secondary education. Institute of American Indian Arts has expressed interest in becoming a junior college but in reality, it had little or no stable program. Before contracted by the All Indian Pueblo Council, Albuquerque Indian School was a dumping ground, one step from prison, for social referrals. For the year 1975-76, the drop-out rate was 49%. Students, away from the campus without leave, averaged 25%; the student "ditch" rate from classes was 20%.(4) Since contracting great changes have taken place.

The All Indian Pueblo Council, representing the 19 Pueblos of New Mexico became the advocate for this change by using the provisions of the recently passed P.L. 93-638. The school was contracted on July 1, 1977. The school instituted an academic program of excellence, a new home living program, a new dedicated staff with policy set by a local school board. Area students (330) flocked to the school with a present waiting list of over 95 students.(5) Students, parents and staff fixed up and cleaned up the facilities but the physical plant basically remained a composite of mobile classrooms, overcrowded barrack dormitories, and the remaining plant - condemned permanent buildings which do not begin to meet minimal health and safety regulations.(6)

The Institute of American Indian Arts is a classic example of Bureau neglect of indifference and mismanagement. In addition to financial chaos, the student population is declining. There are at present approximately only 140 college students (with over an annual 40% drop-out rate) in a program with faculty and facilities designed for approximately 500 students.(7) Some classrooms and teachers had only one or two students. Drugs, alcohol and discipline remain severe problems at the school. Staff morale remains at an all time low.(9) The National Board of Regents, appointed by the Bureau, and responsible for policy and overall administration is out of touch with the reality of the situation at the school and is now talking about a four year college or "university-like" center.(10) This is a time of shrinking post-secondary enrollments across the nation. The expense of continuing to operate such a program would be astronomical.

On July 15, 1979, Mr. Forrest Gerard, Assistant Secretary, Bureau of Indian Affairs, in a memorandum, authorized the All Indian Pueblo Council (AIPC), to transfer the Senior High Program (grades 10, 11, 12) to Santa Fe, New Mexico. Within a month following such authorization, the Senior High Program was transferred to Santa Fe, where it has remained for the 1980-81 school year. The Junior High Program, (grades 7, 8, 9) has had to remain at the Albuquerque Indian School campus because even though the 1980-81 Recontracting Proposal called for transferring the ninth grade to the Santa Fe campus. The Bureau said such a move was "deleterious" to the welfare of IAIA students, and the Albuquerque Area Office recommended that the All Indian Pueblo Council delete this issue from its proposal to recontract on the basis that it was a possible declination issue. After school started the Bureau retroceded and said as long as more space was utilized by the High School Program it was permissible to move the ninth grade. The other possible declination issue was the proposal recontracting component to the contract Plant Management in Santa Fe. The Bureau claims this is beyond the scope of the present program. Our view is that since this is only a support service, such as food services, which we have contracted, it is well within the scope of the recontract.

The Recontracting Proposal has thus been placed in the hearing process, according to §271.24 of the Rules and Regulations; and the All Indian Pueblo Council has been forced to request an extension of the 1979-80 contract so that educational services provided to the approximately 500 Indian students could continue. The extension of the 1979-80 contract is therefore still in force.

As a result, the ninth grade has continued to remain at the Albuquerque Indian School campus, in spite of the unsafe and unhealthy physical conditions of the school and basic programmatic functions are seriously hampered due to limited program funds as a result of serving two campuses.

Sharing the facilities at Santa Fe with the Institute of American Indian Arts has been one of the greatest hindrances to

delivery of a program of excellence during the past two years. To give just a few examples: Santa Fe Indian School students are not allowed to use the Institute of American Indian Arts library collection; classrooms are crowded in our program while IAIA classrooms next door are empty; IAIA personnel refuse to relay telelphone messages and there is a general attitude of anatagonism and harassment directed toward students and staff of Santa Fe Indian School.

Basically then the issue is that the Santa Fe campus belongs to the local tribes. The Art Program can easily be moved to one of the other post-secondary school, and the All Indian Pueblo Council High School Program has proven to fulfill a need with its program of excellence.

References Cited:

(1) Case Study, Albuquerque Indian School, Spring, 1977
(2) Shackled by Bureaucracy, the Santa Fean Magazine, August, 1978
(3) Shackled by Bureaucracy, the Santa Fean Magazine, August, 1978
(4) Case Study, Albuquerque Indian School, Spring, 1977
(5) Registrar's Office, Albuquerque Indian School, January, 1979
(6) National American Indian Safety Council, Inc. Report, January 1977
(7) Institute of American Indian Arts, Status Study Report, 1977
(8) Affidavits, December, 1978
(9) Affidavits, December, 1978
(10) Institute of American Indian Arts, Status Study Report, 1977

ATTACHMENT 2

Summary of Albuquerque Indian School
Facility Reports and Assessments

Date	
March, 1965	"The present (Albuquerque) Indian School plant is antiquated; some of the buildings are 75 years old. ...the buildings are in such bad condition that any idea of rehabilitating the existing plant had to be abandoned." Philleo Nash, Commissioner of Indian Affairs, BIA
1976	"Buildings need general ugrading and in some areas structural major repairs to correct existing deficiencies." North Central Accrediting Association Evaluation - Facility Evaluation
February, 1976	"...the buildings are very old with roof and wall leaks, and no insulation and of very poor appearance generally." Tom Wellems, School Facilities, BIA
June, 1976	"The physical plant and grounds (were) a disaster in many portions of the site." Richard F. Tonigan, Educational Consultant
June, 1976	"The cost of renovation of the unreinforced brick buildings would far out weigh recommended new construction." Ralph Zotigh, National American Indian Safety Council

October, 1976	"The older buildings are in violation of many NFPA and Life Safety Code Requirements. Not only structural inadequacies but these and other violations...constitute an immediate hazard to life and property." Don Hershberger, Albuquerque Fire Dept.
January, 1977	"Much of the present physical plant is old, tired, deteriorated, aesthetically and educationally obsolete." School Zone, Inc., An Architectural Educational Firm
February, 1977	"Most of the facilities are obsolete in a sense that they no longer serve their intended purpose. Some have been abandoned due to excessive deterioration, caused by the lack of maintenance and upkeep." Fred Lujan, AIPC Facility Manager
March, 1977	"It has been our plan that a new facility be constructed at Albuquerque Indian School." Nickelson, L.E., Acting Area Director, BIA
March, 1977	"The lack of attention and inadequate funding for upkeep and maintenance of the physical plant at Albuquerque Indian School have created a serious condition at the school." Van Gilbert, Architect, Albuquerque Indian School
May, 1977	"The majority of the existing permanent buildings were constructed in early 1900 when building code enforcement was very minimum. Most buildings do not conform with the requirement for footings and stem walls. Walls are cracked...fire warning devices are lacking, stairways are weak and deteriorated." Fred Lujan, General Contractor, NAISC, Inc.
July, 1977	"Our inspection showed numerous existing deficiences that could jeopardize the lives and well-being of the faculty and student body. Ninety percent (90%) of the buildings have simply outlived their designed usage and life expectancy." Orin J. Tonemah, NAISC, Inc.
August, 1977	"It is recommended that the Central Heating Plant be replaced as soon as possible. The exterior walls are badly cracked and are not reinforced. Major repairs are considered uneconomical." Charles Kirkpatrick, School Facilities, BIA
February, 1978	Continuous statement - "buildings need complete rehabilitation." Bud Hondrum, BIA
May, 1978	"These individual heating systems will replace the central energy plant which has been condemned." Wilson and Company, Mechanical Systems Consultants

Additional Studies, 1978 - 1980

Pacheco and Graham; Bickle; American Indian Engineering; Chambers and Associates; Stearn and Rodgers.

STATEMENT OF WILFRED WHATONAME, SR., CHAIRMAN, HUALAPAI TRIBAL COUNCIL

ACCOMPANIED BY BOB BORCHARDT, HEALTH DEPARTMENT DIRECTOR

Ms. RICHARDSON. We have a few minutes. There were one or two people in the room who were not able to get on the witness list. We will continue on until 11:30.

Do you have a prepared statement?

Mr. WHATONAME. First of all, I would like to express my thanks for giving us an opportunity to be heard.

My name is Wilfred Whatoname, chairman of the Hualapai Tribe, and I have the Health Department Director, Bob Borchardt with me.

We were here last year seeking funds for health ambulatory care facilities for our people of the Hualapai Tribe. Also we serve the Havasupai Tribe.

The facilities we are using now for ambulatory care facilities have approximately 4,000 square feet. What is actually needed is a building with 19,000 square feet as a minimum to take care of existing needs for at least 15 years.

We have a staff of 11, 2 doctors, 1 medic, 1 nurse, 1 facilities director, 1 lab X-ray technician, 1 recording clerk, 1 administrative clerk, 1 driver, 1 community health worker, 1 environmental health technician.

The nearest hospital that takes care of major surgery, emergency surgery, is 50 miles away.

In 1978 the outpatient visits were 6,848; in 1979 the outpatient visits were 10,073. This is an increase of 56 percent over the 1978 figures. In 1980 there were 12,493, an increase of over 17 percent over the 1979 figures.

We also take care of the non-Indians there who come to the health facility requesting help and we do give them these emergency services, but they are not included in the outpatient figures.

Therefore, they are taking care of some of the medical needs that the Indians have, but that is not being taken care of by IHS.

As I stated, the clinical facility is completely inadequate and is ill equipped for diagnostic services.

Our request here also is that IHS has established a priority list in the previous years, but this year we don't know. For the Phoenix area we don't know what has been established as a priorities list. We are not on that list.

We used IHS criteria to establish what the minimum number of points is to be established as a priority. By using their criteria, we have 127 points last year. So we understand there have been changes in our material. We don't know what it is. So I am requesting funding for health care for the Hualapai Tribe who number 980, plus the Havasupai Tribe, which is 400. The total population we have in the Hualapai Tribe is 980. That is not counting the non-Indians, like I say. Also, we do have the Supais that we take care of. Their total population is between 400 and 600.

So we are requesting the much needed health facility. We did this last year and again we are requesting that some consideration be given to the Hualapai Tribe and Havasupai Tribe in this area.

Ms. RICHARDSON. We will check with the Indian Health Service and see what happened on the priority list.

Mr. WHATONAME. Thank you very much.

[The statement follows:]

Statement of the Hualapai Tribal Council

One of the many problems we are experiencing is the increase of out-patient visits. Within Fiscal Year 1978 there were 6,848 out-patient visits recorded compared to 10,073 out-patient visits in Fiscal Year 1979. This result was an increase of 56%. During the 1980 Fiscal Year 12,493 visits were recorded, a 17% increase over the 1979 figures is the result. Non-Indian emergencies are treated at our facility, but are not included in the out-patient figures stated. The non-Indian services have also increased.

Two new positions have been added to the previous nine member staff, a Facility Director and one other Physican. However, due to the lack of adequate space, services cannot be increased for overall improved health care.

The clinic facility is completely inadequate and ill-equiped. Diagnostic services are limited and there is a very acute shortage of ancillary staff. These problems have dramatically lowered the care of the Hualapai Tribe, as documented in the Tribal Specific Health Plan.

The attached Hualapai Health Facility Plan documents our specific needs. The Hualapai Tribe is fully committed to this plan. We have set aside five (5) acres of land for the facility and housing.

We are asking Congress for an add on appropriation for the construction of a new facility and housing. Total funding for construction is eight million dollars. The facility needed will be a minimum of 19,000 square feet with a minimum of 22 housing units. This facility will include exam rooms, diagnostic and administrative services and the Hualapai Tribal Health Department. Construction cost will increase yearly due to the increase in the national inflation rate. This facility will provide the needed health care services for the Hualapai people.

Additional funding is required for operating and contract care, as summarized in the Executive Summary of the Hualapai Health Facility Plan. We are also asking for complete staffing as justified by the Resource Allocation Criteria. Without this funding our health care will most likely deteriorate further.

We submit this testimony and facility plan as part of the record of the hearing.

We appreciate the opportunity to testify before this Committee on the health care needs of the Hualapai people.

February 14, 1980

Hualapai Tribal Chairman
Hualapai Tribal Health Department
P.O. Box 294
Peach Springs, AZ 86434

Gentlemen:

On behalf of Mohave Physicians and Surgeons, I would like to express our desire to see a new clinic established for the benefit of the Peach Springs Community.

Due to the very small facilities, we have found the examining rooms to be extremely awkward to practice in.

The clinic is also greatly in need of new equipment to allow the patients to receive the best medical care possible.

We feel that a new clinic would not only enable the physicians to provide better medical care, but most importantly would be beneficial for the health and welfare of the entire Peach Springs Community.

Cordially yours,

M. G. Kogianes, M.D.

January 21, 1980

Wilfred Whatoname, Chairman
Hualapai Indian Tribe
P.O. Box 168
Peach Springs, Arizona 86434

Dear Mr. Whaponame:

I am writing to inform you that the HSA 5 Tribal Advisory Council has endorsed the Hualapai Tribal proposal to construct a health facility.

The Peach Springs Health Center project will serve well in meeting the reservation needs identified in your Tribal Specific Health Plan.

Please be assured of the Joint Tribal Advisory Council's continued support in your efforts to improve the delivery of health care services for Hualapai Tribal members.

Sincerely,

Don O'Brian
Chairman
HSA 5 - Joint Tribal Advisory Council

No. 80-94

R E S O L U T I O N

WHEREAS, health care facilities are the health priority of the Colorado River Indian Tribes and the Hualapai Tribe; and

WHEREAS, the Colorado River Indian Tribes have in cooperation with the Indian Health Service, undertaken studies and planning that demonstrate the need for new health facilities in order to meet the growing health needs of their tribal members; and

WHEREAS, funds were obtained through Indian Health Service for the Hualapai Tribe to do a Facility Feasibility and Planning Study; and

WHEREAS, these plans and studies have shown the need for a new facility with adequate staff and housing on the reservation; and

WHEREAS, the Appropriation Hearings are scheduled for March, the Colorado River Indian Tribal Council and the Hualapai Tribal Council at this time will seek direct appropriations for funding for the health facility; and

NOW, THEREFORE, BE IT RESOLVED that the Inter-Tribal Council of Arizona is supporting the Colorado River Indian Tribe for resources to enable the construction of the needed health care facilities to serve their reservation; and

BE IT FURTHER RESOLVED that the Inter-Tribal Council of Arizona supports the Hualapai Tribal Council for construction of a new ambulatory health care facility.

The foregoing was presented and adopted at a duly called meeting of the Inter-Tribal Council of Arizona on February 4, 1980 where a quorum was presented and the same was unamiously passed.

SUBCOMMITTEE RECESS

Ms. RICHARDSON. Is there anyone else who was not able to get on the schedule who is here this morning?

[No response.]

Ms. RICHARDSON. If not, we will recess until 1 p.m.

[Whereupon, at 11:20 a.m., the subcommittee was recessed to reconvene at 1 p.m. the same day.]

(AFTERNOON SESSION, 1 P.M., THURSDAY, FEBRUARY 19, 1981)

STATEMENT OF PHILIP BARTOW, THE AMERICAN INDIAN COUNCIL OF ARCHITECTS AND ENGINEERS

Ms. RICHARDSON. Mr. McCaleb, would you like to begin?

Mr. BARTOW. Mr. McCaleb couldn't make it today.

My name is Philip Bartow. I'm with the American Indian Council of Architects and Engineers.

Mr. BARTOW. The American Indian Council of Architects and Engineers is an organization, about 9 years old, that represents a number of Indian architects and engineers.

We have been concerned, in the past, with some of the issues within the Bureau of Indian Affairs' engineering and construction operations.

We find historically that they have been a frustrating organization to deal with. The quality of the work that has come out of that organization has been poor. We feel that it's jeopardized both the safety of the children in the schools, and it does not lead to a constructive education and environment.

Ms. RICHARDSON. Are you talking about the Albuquerque operations?

Mr. BARTOW. Central office, as well as Albuquerque.

The efforts of Congress, in the last year, have resulted in some changes that we feel represent a significant improvement.

So our statement today really is a statement of appreciation for the type of efforts that have come out of Congress, in supporting some organizational changes in that area.

The formation of the Facilities Construction Operations and Improvement Division, this last year, has resulted in several changes in management structure in development of procedures for maintenance and repair, and the improvement of financial accountability, and so on.

We were approached—the usual thing where we approached them, the FCOID—with a certain amount of apprehension, about 1 year ago. Our feelings were that they were somewhat hostile to the Indians.

While we expressed concern, they listened, they did not try to hide behind their desks; they gave us a challenge to work with them, to improve the management of Indian technical opportunities, in working with the Bureau.

They've worked with us, they've attended our meetings, they've invited counseling on a one-on-one basis with a number of Indian architects.

We feel that the kind of effort that they initiated warrants consideration for the future. Future funding and consideration, for other changes initiated through Congress in terms of forward funding and planning, which we feel is a progressive step. It streamlines the construction activity, allows for participation by the tribes and by the Indian professionals.

We feel this type of activity is needed. We are concerned, at this point. We hear rumors that possibly FCOID may not last long in Interior. We feel if that activity was abandoned, it would be a statement that Interior is not really concerned with effective delivery of services.

We feel the impact they've had thus far increases confidence in the ability of the Bureau to provide useful facilities for Indian education.

There is one other issue. If you look at the Indian educational facilities, we find there is a tremendous backlog of deteriorating buildings, in excess of $400 million, I believe, of current inventory. Yet, the funds available to repair buildings have been fairly small.

The last administration recommended $55 million to go into repair and improvement. That $55 million just about matches what is going on in inflation, plus the ongoing deterioration.

Buildings are deteriorating at a rate of between $35 and $50 million a year.

Inflation on that total deterioration rate amounts to about $32 million.

So, we're hardly even holding our ground. Three years ago, we had a budget of $8 million. The next year, $22 million. And the recommended budget for $55 million is hardly holding ground.

We feel that the education of children is jeopardized by anything less than that. So, we appeal to you to work toward at least the maintaining of the $55 million.

Ms. RICHARDSON. Which is more than a 100 percent increase.

Mr. BARTOW. Our statement from the council is really that we appreciate the support that Congress has had in the past, in helping reorganize the Bureau's construction and engineering operations.

We appeal to you to maintain the budget, at least.

Thank you.

Ms. RICHARDSON. Thank you very much.

[The statement follows:]

Statement of the American Indian Council of Architects and Engineers

My name is Philip Bartow, a member of Bartow & Associates, an Indian-owned architectural and consulting firm. I am here representing the American Indian Council of Architects and Engineers, a nine-year old organization that represents Indian architects and engineers throughout the country. This is our first time testifying before the Committee, and we would like to express our appreciation for the opportunity to be here today. Our purpose in testifying is two-fold. First, we would like to express our appreciation to the Committee for the steps the Congress has taken to improve the Bureau of Indian Affairs' architectural, engineering and construction system. Secondly, we would like to urge the Committee to retain the $55 million provided for in President Carter's budget for Repair & Improvement work at the BIA boarding schools and other facilities.

A. IMPROVING THE BIA DESIGN AND CONSTRUCTION PROGRAM

In the past, our members have been frustrated by the disorganized and poorly-administered facilities engineering and construction program operated by the Bureau of Indian Affairs. As Indians, we were concerned about the low quality of the facilities that were being provided to Indian children. As architects and engineers, we found the system a very difficult one to work with on a professional level. In addition, the chaos in the system ended up being a reason or excuse to deny us the special Indian preference rights to which we are entitled under various federal laws.

Over the past year, thanks to the lead taken by the Congress, we have noticed a dramatic improvement in the BIA's facilities engineering and construction program. First, the idea of providing advance planning money, including concept design, prior to construction allows for much more orderly development. It also gives the BIA the time to implement the special preference rights without in any way endangering the development of the facility. Lastly, it allows the Indian tribe which will be using the school or other structure an opportunity to become fully involved in the design of the facility.

We have also been impressed by the work of the Facilities Construction Operations and Improvement Division (FCOID) of the Department of the Interior. We have to admit that initially we were extremely skeptical about this new program. We thought it was hostile to Indian people in general and Indian architects in particular. However, as we have begun to work with FCOID, we have found it to be an open, extremely frank, and professional organization. When we expressed concern that our special rights as Indian architects had been overlooked in the past, they did not try to fight with us or give us excuses, as had been done in the past. Instead, they challenged us to develop a system that would insure protection of our rights without in any way endangering the broader interests of the Indian community to high quality and timely development of facilities funded by the Congress. We are in the process of completing work on such a system and will be presenting it to FCOID shortly. FCOID staff has also reached out by attending our meetings and by providing training to our members. In sum, their approach seems to be that of finding pragmatic and constructive solutions to problems rather than hiding behind their desks and telling us why something cannot be done. We are pleased to note that since we have begun working with FCOID, our rights have been respected on every procurement let by the Department.

From our perspective as professionals, we believe the other A/E and construction systems being put into place by FCOID to improve the efficiency and speed of the construction process will overcome many of the problems that have plagued the Indian school construction program in the past. They should insure more timely, cost-effective, and structurally-sound facilities for the Indian people.

Lastly, we believe the efforts of the Congress have created a new and improved situation within the BIA's Office of Facilities Engineering in Albuquerque. Again, after many years of antagonism with that Office, we have found them to be open and receptive to our concerns and much more professional in their manner. In sum, we believe that because of the steps initiated by the Congress, it can now feel comfortable that funds appropriated for the construction of BIA schools and other facilities will be well spent and in a cost-effective manner.

Despite these accomplishments, we understand that the Department of the Interior is considering abolishing FCOID. We believe this would be an unwise move. It would destroy important work underway and plunge the A/E's and

contractors working with BIA back into the chaos we faced previously. It will be a signal to the bureaucrats that efforts to reduce the cost and improve the efficiency of government programs is not a priority of this Congress. Lastly, it will deny the Indian children the safe, appropriate, and timely-built facilities to which they are entitled.

B. FULL FUNDING FOR THE BIA'S REPAIR & IMPROVEMENT BUDGET

Another action initiated by the Congress was a study of the BIA schools to determine their physical condition. A number of Indian architects and engineers participated in that study. What we discovered is extremely disturbing to us, both as architects and engineers and as Indian people. The condition of too many of the schools our Indian children are attending is a disgrace. Facilities are old and falling apart, fail to meet various code requirements, and fail to provide the kind of environment in which effective education can take place.

We would like to review some of the specific findings of that study. It found that there was a backlog of over $37 million alone in life-safety repairs which require immediate action because they pose real and present dangers to the Indian children who attend those schools. This includes such things as dormitory roofs in danger of falling in on the children sleeping below. A second category, other life-safety deficiencies, which is supposed to include deficiencies which do not present a clear and present danger, is almost as disturbing as the first category. It includes such deficiencies as absence of fire alarms, smoke detectors and fire extinguishers. The recent fires in Las Vegas stand as stark reminders of what can happen when adequate fire safety equipment is not present. Our Indian children who are put in the trust of the federal government should not have to be placed in this kind of jeopardy. This second category has a backlog of $27 million.

We also wish to emphasize a basic truism in the architectural world -- deteriorated buildings don't just sit there; they continue to deteriorate at an increasingly rapid rate. A leaky roof might cost $5,000 to fix. But if it is not fixed quickly, it can lead to thousands of dollars in additional repair needs as the rain damages the ceilings, walls, and floors as it leaks through the building. Nor is it conducive to education when the plaster is falling and the rain is dripping into your classroom or dormitory. The study found that the BIA facilities are deteriorating at a rate of $30-$40 million a year. Therefore, failing to provide the R&I funds this year simply compounds the costs the government will have to incur down the road when it finally faces up to its responsibilities.

We realize that it will be many years before enough funding is available to replace all of these structures with new facilities. Until then, we believe it is critical that funds be provided to do the necessary repair and improvement to keep them from deteriorating further, so they present further hazards to our Indian children and further inhibit their ability to obtain a decent education. We therefore endorse the recommendation in President Carter's budget of $55 million for R&I in the coming year for the reasons set out above. We ask the Committee to retain this level, despite the severe budget pressures that are being imposed on the Congress.

Again, we would like to express our appreciation to the Committee for the opportunity to testify before you. The members of the American Indian Council of Architects and Engineers are available to work with the Committee in any way possible to further Congressional efforts to improve the facilities in which Indian children obtain their education and Indian people obtain a variety of services.

STATEMENT OF JAKE WHITECROW, NATIONAL INDIAN HEALTH BOARD, INC.

ACCOMPANIED BY:
ELLWOOD SANGANEY, CHAIRMAN
DAN PRESS, LEGAL COUNSEL

Ms. RICHARDSON. The next witness is Mr. Jake Whitecrow, representing the National Indian Health Board.

Mr. WHITECROW. Good afternoon.

My name is Jake Whitecrow. I am the executive director of the National Indian Health Board, operating out of Denver, Colo.

I would like to introduce my comrades here, with me: On my right, Mr. Ellwood Sanganey, chairman of the National Indian Health Board; on my left, Mr. Dan Press, who is our legal counsel, legal consultant, and Jack of all trades.

We would like to thank the committee for the opportunity of appearing this afternoon, and speaking to the most important issues we have, we feel, in the Indian affairs relationships with the Congress of the United States.

Those affairs being the health of our Indian people.

At this particular hearing, on this day, the Senate committee is hearing all the many issues that are being raised by Indian people from across the country.

Last evening, we heard testimony by the President of the United States, asking for us all to tighten our belts. Asking for us to be realistic, and understand that we're probably all going to endure some kind of budget reductions.

He also stated in his speech that none of the needy are going to be cut.

In the field of health, it is our opinion that we are needy. Our Indian people are needy. And that we have health issues out there that need to be faced.

We have submitted to you written testimony, calling for you to take a look at the budget. We have worked with the Indian Health Service in trying to determine the fiscal year 1983 budget. We will continue, annually, working with the Indian Health Service to do this.

We were not involved in the fiscal year 1982 budget. However, we understand that there had been great developments of this particular budget, asking by the Indian Health Service for some $784 million in the request.

Mr. Carter's budget called for a reduction of $129 million.

We're asking for restoration of half of that amount of money, in order to fulfill the obligations and to meet the requirements of our needy people around the United States.

We have, definitely, a great need for the restoration of $1.8 million into the Mental Health Systems Act. We also have great need of including $62.4 million for the equity health care fund, in which the tribes around the country are fit into various levels of deficiency. And substantiation of that request is fully justified by the Indian Health Care Improvement Act and the National Indian Health Service Plan for improving the health of our Indian people across the country.

We are also asking for $500,000 to do a management review of the Indian Health Service, which will assist us in making a determination as to the improvement of the management systems of Indian health.

We feel, and it can be justified by the various consultants that we intend to utilize in this particular study, that will allow us to improve and stretch the dollar that you're currently providing to Indian Health Service. It has been proven by 21 States, and will we have that backup information provided by the consultants that we plan to use, if the committee will allow us this particular effort.

And if we are able to do this, we will bring into account the National Tribal Chairman's Association, and the National Congress of American Indians; and all three national organizations will be involved in doing this management review of Indian health.

And we will have Indian people, as well as non-Indian people, involved in this process, to improve the management capability of the Indian Health Service, and stretch that dollar, and bring more service about, as a result of increased efficiency.

We would also like to ask that you provide $300,000 to do a study, in so far as low-level radiation.

We have an awful lot of Indian people, in many areas of New Mexico and Arizona, that are being subjected to low levels of radiation. We have people out there who are constructing homes, and using the tailings from these various mines to put together the concrete which surrounds the homes, and constructs the brick buildings that our people are living in.

We need a special study.

The Indian Health Service does not have that backup information today. Therefore, the information is very minimal; and we need a study on that now.

And we're asking that a $300,000 study be provided.

In addition, in closing, I'd like to bring to the committee's attention some of the rumors that we have heard, in so far as the Reagan administration is concerned.

This is not included in our testimony, because we prepared this testimony several days ago.

But we would like to ask the committee, if they would, in all justification—we understand that the Senate committee's hearing is scheduled for March 10, whereby you're going to be hearing the Indian Health Service story.

We would like to ask you to postpone that hearing until after March 10, because it's our understanding that Mr. Reagan's budget will not be presented to the administration, or in full to this committee, until that time.

Therefore, you would not have an opportunity to view those particular questions that are so pertinent to the Reagan budget.

Ms. RICHARDSON. What we will do is to go ahead and hold the hearings as we had planned. And then, after we've had a chance to look at the revisions, if recali hearings are necessary, we will hold them, on revisions to the budget that we now have.

But we're going to go ahead with the March 10 date, right now.

Mr. WHITECROW. Very good. We appreciate that.

In addition, we'd like to ask you to be specific in regard to rumors that we have heard, whereby there are approximately 500 direct care positions that might be lost in this process.

If that happens, we're going to have an awful lot of Indian people getting ill, getting sick, and possibly dying as a result of lack of attention.

Also, we would like to encourage you to take a look at the proposed cuts: A reduction or stopping of all sanitation projects, and the complete stopping of all new construction for our Indian health facilities.

We'd like you to look into those, and inquire of the administration as to why this is happening.

When Mr. Reagan says, "no needy projects will be cut," as far as we're concerned, the life and death of our Indian people is not to be considered "not needy." They are needy. And we respectfully encourage this committee to look into it, with all endeavor.

Ms. RICHARDSON. We will do that.

Mr. WHITECROW. Thank you.

Ms. RICHARDSON. Thank you very much.

[The statement follows:]

Statement of the National Indian Health Board

The National Indian Health Board, in conjunction with the National Tribal Chairmen's Association and the National Congress of American Indians, respectfully submits this testimony. Together these three organizations represent virtually 100% of the Indian community served by IHS. On behalf of the Indian community we are here today to seek additional appropriations in several areas and certain Report language to improve the way IHS expends those funds. These include: 1) restoration of the $1.8 million OMB cut from the IHS Mental Health Program; 2) $300,000 for the newly-authorized study of health hazards caused by nuclear resource development on Indian reservations; 3) $62.4 million for the Equity Fund to bring all tribes up to Level III health services (i.e., providing at least 40% of needed services) and for certain other purposes; 4) require OMB, BIA, and IHS to develop a rational approach to indirect cost funding on 638 contracts; 5) reinclusion of the "Norton Sound" language contained in the FY81 Appropriations Act. We would like to begin by thanking the Committee for its outstanding work on behalf of Indian health during the past years. It has recognized the severe needs of Indian people in the area of health and has consistently protected and promoted the funding for Indian Health Service and tribal health programs. Over the past few years, as federal dollars have become increasingly scarce, the Committee has used its position to rationalize the way IHS expends its funds and has eliminated a variety of obstacles that prevent Indian people from getting the maximum benefit from the dollars appropriated. In these categories we include the Committee's successful establishment of a hospital priority system and equity funding system, the removal of the Norton Sound problem, the easing of restrictions imposed on hiring and patient care travel and similar actions. The national Indian organizations, on behalf of the Indian community, wish to express their deep appreciation for the important contributions this Committee has made toward improving the health of Indian people.

We are pleased to inform the Committee that over the past year, IHS and NIHB have initiated a coordinated effort to fully involve Indian tribes and health boards in the development of the IHS budget. NIHB has run training programs for tribes and boards on the ZBB budgeting process, while IHS has instructed its staff at the Service Unit and Area levels that representatives of the tribes and boards should be sitting with them when IHS develops its budget. This process will insure that IHS' budget will be a joint IHS/Indian product, in the full spirit of self-determination. We would like to compliment IHS for the cooperation and intensity they have brought to this effort. This process will go into effect fully with the FY83 budget.

A. RESTORATION OF THE $1.8 MILLION OMB CUT IN THE INDIAN HEALTH SERVICE MENTAL HEALTH PROGRAM

Mental health is one of the most serious problem areas for the Indian community. It manifests itself in the high rate of alcoholism, suicides, and broken homes. It is also attacking our most precious resource--our children. The data show that Indian children suffer mental health problems at a rate six times that of the population as a whole. Under its modest ($7.5 million in FY81) Mental Health Program, IHS assists tribes to set up their own mental health programs as well as providing counseling and other psychiatric and psychological services on a direct care basis to Indian people. This Program is new and is just beginning to scratch the surface of the problems facing the Indian people. However, for some reason the Office of Management and Budget has concluded that this Program cannot be justified at its present level and cut $1.8 million from its proposed FY82 level. We believe this decision is unsupportable. There are waiting lists at the IHS facilities to use the IHS counselors. Only a handful of tribes have been helped to set up their own lay counseling programs (which have proven to be extremely effective where implemented). The Program has just begun to work with the Indian people to explore possible mechanisms for dealing with the broad range and deeply-felt mental health problems in the Indian community. We cannot understand how anyone could conclude that this Program presently has more funding than is justified. We were informed the cut was made because of the poor reporting system used by the IHS Mental Health Program. We do not believe the Indian people, particularly those who are least able to speak up for themselves, should be denied mental health services because IHS has a poor reporting system. We believe data showing the severity of the problem and the long list of people waiting to use the services presently available more than testifies to the need for continued full funding to the Mental Health Program. We request that the Committee restore the entire $1.8 million that OMB cut from this Program.

B. THE NUCLEAR RESOURCE DEVELOPMENT HEALTH HAZARDS

The President's budget fails to include funding for any of the new initiatives contained in the reauthorization of the Indian Health Care Improvement Act. The one that we consider to be the highest priority is the one instructing the Secretary, in conjunction with appropriate federal agencies and in consultation with concerned tribes, to conduct a study of the health hazards to Indian miners and Indians as a result of nuclear resource development. This is a problem which is killing hundreds of Indians who had worked in uranium mines in the past and is causing incalculable danger to entire Indian communities located near present uranium mining sites. The $300,000 authorization level for this study is a modest amount, but one which could save untold dollars and suffering in the future. We request that the Committee fund it in full.

C. RESTORATION OF $64.5 MILLION CUTS BY THE ADMINISTRATION

Based on tribal input, IHS put together a budget that justified a $176 million increase in health care funding. The budget submitted by the Administration requests only a $47 million increase, less than 30% of the justified increase sought by IHS. All of the increases approved by the Administration were for mandatories, thereby insuring that there would be no improvement in the level of care provided by IHS despite the fact that most IHS facilities are providing less than 40% of the care needed by their patients, and despite the fact that the Indian population is growing and its use of IHS facilities is increasing. We therefore are requesting that the Committee restore half of the increase eliminated by the Administration--a total amount of $64.5 million. We believe the specific increase can be more than justified in the manner set out below:

1. Provide an additional $53 million to the Equity Health Care Fund. This would allow all 108 tribes at level IV (those providing between only 20% and 40% of the needed level of services) to achieve level III status (providing at least 40% of need).
2. Provide an additional $5 million for the IHS Alcoholism Program. Alcoholism is involved in 5 out of the 10 leading causes of death in the Indian community. The funds would enable the IHS direct care program to improve its alcoholism capacity so it could effectively interface with and assist the tribal alcoholism programs.
3. An additional $3.9 million for restoration of FY81 reductions: tribal management, $2.2 million; health manpower, $1 million; CHR program, $.7 million.
4. $2.6 million for the other items discussed in this testimony: $1.8 million to restore cuts in the Mental Health Program; $300,000 for the nuclear radiation study; $500,000 for the IHS management study.

D. THE ARTIFICIAL MANDATORIES CAP

Over the past few years, the Administration has imposed a ceiling, or cap, on the amount of mandatory increases any program could ask for. The cap set by the Administration has had no relationship to the actual increase in costs incurred by Indian health programs. For example, in this past year, IHS' mandatory cap for contract health care was approximately 10%, despite the fact that the cost of medical services increased by approximately 15%. In effect, this imposes a budget cut on these programs; i.e., IHS is unable to purchase as much contract care service as it did the year before (despite the fact that the need has grown rather than decreased). Over a short-term period (a year or two), a program can absorb these "cuts" without seriously damaging its ability to provide services. But when it continues for as long as it has, the impact is compounded, since each year's cap is imposed on a budget based on last year's illusionary cap. Eventually the program will become so "thin" that holes must necessarily begin showing up--holes which could endanger the Indian people IHS serves. For example, we have heard that drug supplies at certain facilities might be approaching dangerously low levels. Therefore, we request that the Committee instruct IHS to prepare a report describing the effect the mandatory cap is having on the IHS program and to highlight those effects which threaten to have a harmful impact on the lives and health of Indian people. Also, IHS should be requested to submit the report directly to the Committee. If the report has to go through OMB or HHS, it will be sanitized to a point that it will no longer provide an accurate picture of the dangers confronting Indian people who look to Congress and IHS for their health care.

E. INDIRECT COST RATES

Unlike the BIA, IHS does not have a separate line item or pot to cover the indirect costs a tribe incurs when it contracts an IHS program under the Self-Determination Act. Because of this, tribes face serious problems getting IHS to locate and provide funds to meet the tribe's indirect cost rate. This has a negative impact on the tribe's ability and willingness to exercise its Self-Determination rights. In FY81 this Committee instructed the BIA to develop a coherent policy in the area of indirect cost rates. We request that OMB be instructed to work with both IHS and BIA in that indirect cost rate study and come out with a single indirect cost rate approach for BIA and IHS. This would insure that Self-Determination did not mean a reduction in services and would reduce a heavy administrative burden imposed on tribes by the disparate and disorganized indirect cost rate approaches of the two agencies.

F. REAFFIRM THE "NORTON SOUND" LANGUAGE

We also request that the Committee include in the FY82 Appropriations Act the same "Norton Sound" language included in the FY81 Act. That language provided that FY81 funds obligated in contracts entered into in FY81 could be spent by the contractor in FY82. The GAO decision in the Norton Sound case, which held that an agency lacked the inherent authority to do this, promises to create havoc within the Indian community. We have no reason to believe that GAO has backed off its view, so we request that the language nullifying its opinion appear again in your Appropriations Act.

G. MANAGEMENT STUDY

The national Indian organizations have proposed to conduct a comprehensive management study of IHS to determine where inefficiencies exist and where funds could be used more effectively to provide care to Indian people. Because we have been unable to obtain a commitment for such funds from IHS, we are requesting that the Committee appropriate $500,000 specifically for this study, to be conducted by NIHB with involvement by NTCA and NCAI. We believe this study will identify savings and efficiencies that will return many fold the initial cost of the study.

STATEMENT OF EARL OLD PERSON, CHIEF OF THE BLACKFEET TRIBE ACCOMPANIED BY JAMES KENNEDY, BLACKFEET HEALTH BOARD CHAIRMAN

Ms. RICHARDSON. The next witness is Mr. Earl Old Person, representing the Blackfeet Tribe.

Mr. OLD PERSON. Madam Chairman, I just want to express the appreciation of having this opportunity to come before your committee.

I have been here several times, now, over the same project that we are trying to get for the Blackfeet people.

As the man stated before me, I feel that health is very vital to people—not only Indian people, but all people.

I want to make this general statement at this time:

I feel that the Blackfeet people are in need of this help. About 1 year ago, we were approved for planning money, and I'm only asking that this planning money be maintained within this appropriation.

Our area is somewhat an isolated area. The hospital that we now have does not have the kind of facilities to accommodate the people who are in need of it.

The nearest hospital that our people could be taken to is some 135 miles away and, in the winter season—we have our severe winters—it is something that is often difficult, that the people have to go through when they are being transported to these other hospitals for their care.

This is why we want the kind of facility whereby we will not have to transport these people.

I think, within this testimony that we've submitted to you, we will give you a detailed explanation as to our needs, the kind of facility that we are asking for. And, as I have said, I think the committee members are pretty well aware of our request in asking for this kind of an institution.

Ms. RICHARDSON. There is a budget request for Browning, I believe.

Mr. OLD PERSON. Yes; so, we are just really asking that we would not be shut out in our planning money. And, from there on, we can go on going in for construction money.

At this time, I would like to ask Mr. Jim Kennedy, to my right, who is the chairman of our Health Board, who has been working very closely with our health problems, and who has been working very closely with this effort in trying to get the new hospital for the Blackfeet people, to elaborate on some of the needs and some of the details that he may want to elaborate on, at this time.

Mr. KENNEDY. The main problem that I would like to request is that a priority list was developed last year, during testimony.

We requested that this priority list be followed. We're also coming in with that same request this year. The priority has been established, and should be followed as is.

The other thing that I would like to bring up, at this time, is: Insurance companies on our reservation sell health insurance to Indian people who are working on the reservation.

Last year, in our reports for the Indian Health Service, it was requested that the Indian Health Service start billing the insurance companies.

I'd also like to put in our request that this be included in the law, or worded, to the point that the funds that are generated be retained, that the local service units produce their medical services.

Ms. RICHARDSON. That would require changing existing legislation, because the third-party payments now go into the fund not for replacement, but for repair and modernization of existing facilities.

Mr. KENNEDY. Yes, it does. At the present time, private insurance companies are not billed. They have clauses in their insurance policies, when they sell them to Indian people, that if the Government is providing services, that this is a third-party payment.

It would be to the benefit of everybody if they were considered a first-party payment, if possible. It would be worth checking into.

Ms. RICHARDSON. That would probably require some action by the authorizing committee. So, we might get in trouble if we tried to do that on appropriations.

But we will talk to them about it.

Mr. KENNEDY. Thank you.

Mr. OLD PERSON. In closing, I just would like to elaborate a little more, in reminding the committee that, in spite of the change that we are coming under, I believe that we, as the Indian leaders, have tried to encourage our people to use the kind of facilities that are made available to them.

Many of our people are reluctant, in many ways, many times. But we continue to encourage them. And now that they are all enthused about these kinds of facilities that are made available, then we are lacking the kind of facilities to present to them, or to be made available to them.

So, I believe that, No. 1, is health for everyone. We do not have the kind of health that we should have. And we cannot function very well.

So, I believe that hospital and health needs are No. 1 in our lives at this time.

And I thank you for your listening to our testimony.

Ms. RICHARDSON. Certainly.

[The statement follows:]

Statement of the Blackfeet Tribe and People

Honorable Chairman, and distinguished members of the Committee, my name is Earl Old Person, Chief of the Blackfeet Tribe.

On behalf of the Blackfeet Tribe and People, I would like to thank Congress for your assistance to date in helping us work towards securing a new replacement hospital for the Blackfeet Indian Reservation. I would also like to thank you for giving authorization to Indian Health Service to utilize medicaid reimbursement funds generated by the Browning Hospital to purchase a temporary add-on facility to partially alleviate the crowded space problem until the new replacement hospital can be secured.

In fiscal year 1981, $1,050,000 was appropriated for design and initial construction costs for a replacement facility. On January 27, 1981, the Director from the Office of Project Management, OFE, sent a memo to ROFEC Regional VIII, giving authorization to proceed with the Commerce Business Daily Announcement for A/E Services. However, the Certification of Funds (FEC1-4) has not been released.

The Blackfeet Tribe is requesting that Certification of Funds (FEC1-4) be released, and $8,250,000 be appropriated in fiscal year 1982, for first phase construction to begin, and provide for moveable equipment items to be installed by the contractor. The Blackfeet Tribe would also like to request Congress's support in case of any recession that might be planned by President Reagen's budget cuts, as the Tribe has been in this predicament from previous administrations. Political administrations may change, however, the actual need for an improved medical facility located on the Blackfeet Reservation still remains a critical problem in the delivery of adequate health care.

The new hospital facility will contain 27 beds and approximately 75,000 gross square feet of space. It will be constructed adjacent to the Indian Health Service's existing Browning Hospital. Some of the Indian Health Service activities will continue to be housed in the existing facility, as designated in the P.I.D. that was developed by Indian Health Service and the Blackfeet Tribal Health Department. The project also includes a detached unheated storage building of about 2,900 gross square feet for vehicles and snow removal equipment.

It is estimated that $6,665,000 will be required in fiscal year 1983 to complete construction of the new hospital facility, to purchase the remainder of the moveable equipment to erect the vehicle storage building and to provide central storage space in the existing facility with a new unloading area and other needed improvements.

A breakdown of the project cost estimated is as follows:

	FY 1981	FY 1982	FY 1983	Total
Design	$610,000	---	---	$ 610,000
Construction	440,000	7,800,000	5,385,000	13,625,000
Moveable Equipment	---	450,000	1,280,000	1,730,000
	1,050,000	8,250,000	6,665,000	15,965,000

The Blackfeet Tribal Business Council has had the new hospital as their number one priority for the past twelve (12) years, and would like to request the Appropriation Committee's support for our budget request for fiscal year 1982.

The Public Health Hospital at Browning was originally constructed in 1937 with a patient wing added in 1960. The existing facility is a 34 bed, on story hospital consisting of stone and brick manonry veneer with steel main floor joists and wood roof joists.

In 1968, the Joint Commission on Accreditation of Hospitals recommended that more space be made available for both outpatient and inpatient. Additionally, the Accreditation Commission called for a segregated maternity department. Again, in 1972, the Commission recommended the same corrections and included the need for more waiting room space; more space for medical records; and a larger area for the clinical laboratory and pharmacy.

This presents a serious situation for the Blackfeet People and their providers in delivering adequate care. The conditions at the existing facilities are threatening to cause the loss of valuable medical personnel, in addition to the continuing accreditation of the hospital.

In the old wing, many of the services are undersized for the present workload. Included amoung these are the outpatient, laboratory, and health records areas which are grossly inadequate to support the current workload. The delivery suite, central sterile room, emergency room, field

health, and dietary are also extremely inadequate. Environmental health offices are currently located in the remodeled storage area. The dental suite is located in the former nurse's quarters. The arrangement of several of the services is inefficient and in some cases hazardous. The delivery suite and central supply service for instance, are both located on the main corridor near the outpatient department. In the new wing, the nursery and the OB beds are intermixed with the general medical/surgical beds (the lack of isolation in the existing arrangement of the maternity service does not meet the standards of the Joint Commission of Obstetricians and Gynecologists or the Joint Commission on Accreditation of Hospitals). The health facility has no space for a conference room, training room or library.

The Blackfeet Service Unit has 28 quarters which meet minimum housing standards. This number is not sufficient for the service unit's professional staff currently on duty and poses a problem for recruitment of personnel. Eight units are needed now to meet the housing needs of the existing staff. An additional 32 units to go with the proposed project is required for the expanded staff complement.

The Blackfeet Reservation has the highest automobile accident rate in the state of Montana. The Blackfeet Reservation borders the Glacier National Park along the eastern slope of the Continential Divide. This places an extra burden on the out dated hospital facility, with approximately 1.5 million persons visting this national park facility annually. With 1.5 million persons travelling to and from Glacier National Park over mountainious roads, a need arises to provide emergency medical services to motor vehicle accident victims. The closest medical facility to Glacier National Park is the Indian Health Service Hospital located in Browning, Montana. Emergency medical services on the Blackfeet Reservation are of the highest order, however, due to the substandard medical facility, the victims are transferred to Great Falls, Montana, 120 miles away or Kalispell, Montana, 104 miles away. With a modern medical facility located on the Blackfeet Reservation, people will no longer suffer because of lack of adequate medical care.

During March 1980, Amtrak's Chicago to Seattle Empire Builder Train was carrying 170 passengers when it derailed just outside of East Glacier, Montana. The Blackfeet Hospital responded to this emergency and treated more than 40 injuries. Because of the inadequacy of the facility, nearly all of the patients needed to be transferred to other facilities -- some of them up to 120 miles from Browning. Responding to additional crises that may arise places a great burden on the Blackfeet facility and its staff.

Adverse weather conditions during the months of December 1979 and January 1980, created more problems as the heating system which is inadequate could not keep up with the demand for additional heat. During this time, the temperature was from -30°/-40° degrees below zero. Temperatures in the outpatient area ranged from 50°/60° degrees and in the inpatient department, temperatures were from 55°/60° degrees for several days.

With the foregoing facts being presented, it is clearly justifiable that the new Blackfeet Hospital is needed. Hopefully, the Appropriation Committee will support the Blackfeet Tribal Business Council's request.

STATEMENT OF ALEXANDER LEWIS, SR., GOVERNOR OF THE GILA RIVER INDIAN COMMUNITY

ACCOMPANIED BY:
MARY LEE JONES
ROD LEWIS, TRIBAL ATTORNEY

Ms. RICHARDSON. The next witness is Mr. Alexander Lewis, of the Gila River Indian community.

Mr. ALEXANDER LEWIS. Madam Chairperson, my name is Alexander Lewis. I am the Governor of the Gila River Indian community.

To my right, I have Miss Mary Lee Jones; to my left, Mr. Rod Lewis, tribal attorney.

Once again, we are here to testify because of the need of a new hospital facility in Sacaton, Ariz., which provides services to the area on our reservation.

We've been testifying here for a number of years; and we've never been successful yet.

However, we do feel that the need is still there.

Ms. RICHARDSON. Do you know what position the hospital is on the priority list?

Ms. JONES. Second.

Mr. ALEXANDER LEWIS. The hospital, at the present time, over the years that it has been there, it has deteriorated. It has limited staff, limited equipment, and, of course, it closed the door to obstetrics because of lack of equipment staff, and recordkeeping. All of these have become limited.

And though there may be health programs that are going on to assist our people, down at the local levels—and the services that the hospital is supposed to provide are also limited.

It's become very crucial at this time, because we have an existence today that has been defined—the two chronic illnesses of diabetes and arthritis.

At present, it seems to me that our problem with diabetes, which develops into a number of things, complications—a patient that has diabetes—there is no facility there on the reservation that could take of these tribal patients. So they are transported outside, to a contract hospital; which, in this case, would be a 100-mile round trip.

That is a very costly operation. The contracts cost $1,750,000.

Ms. RICHARDSON. Just for diabetes patients?

Mr. ALEXANDER LEWIS. Yes.

Individual treatment costs $35,000 a year, plus transportation, which costs around $64,000 or $65,000 a year.

If our hospital is to be replaced with a new one, then maybe some of these services could be provided there, in the local area. Plus the transportation of these patients—over 100 miles or so—after they've been on the machine a couple hours or 3 hours, then the pain and discomfort that goes with it, they have to endure it, another hour or hour and one-half getting back to their homes.

This has developed more complications, with the individuals that have diabetes and are going through this renal dialysis treatment.

Ms. RICHARDSON. Is there a plan now in the hospital design? Or has the design begun on the facility, yet?

Mr. RON LEWIS. It has not yet begun. That's one of the things that we're hoping to begin this year—we hope.

Ms. RICHARDSON. It would probably be more cost effective to take of them there.

Mr. RON LEWIS. Oh, yes. It would cost about $35,000 each year, on these patients that have to be taken for dialysis. We compute that we could save half of this amount, if the dialysis were available in the community.

Just a minute ago, I think Governor Lewis mentioned that the $1.7 million is for diabetes patients. That generally is the Phoenix area amount for dialysis. Of course, much of that is related to diabetes.

Ms. RICHARDSON. Thank you very much.

We will take a look at that, and talk with the Indian Health Service about what type of services they are planning to provide.

Mr. ALEXANDER LEWIS. We appreciate your kind attention to our testimony today.

Mr. RON LEWIS. Thank you.

[The statement follows:]

Statement of the Gila River Indian Community

My name is Alexander Lewis Sr., and I am the elected Governor of the Gila River Indian Community, located in Arizona. The Community is comprised of the Pima and Maricopa Indian Tribes.

Our Reservation is located in south Central Arizona in both Pinal and Maricopa Counties and our main administrative offices are in Sacaton, Arizona, approximately 40 miles south of Phoenix, Arizona.

The Gila River Indian Community is again testifying regarding our ongoing efforts to replace our substandard hospital with a modern medical facility that can begin to address our urgent health care needs.

The old hospital cannot qualify for accreditation by the Joint Commission of Accreditation of Hospitals (JCAH); cannot meet fire standards; has been forced to close its obstetrics ward; and currently has only 20 out of 30 usable beds. The negative impact of this inadequate and outdated hospital has been felt throughout the Reservation and has greatly hampered our efforts to develop a Tribal Indian Health Service health care system for the Gila River Indian Community.

Laws such as P.L. 93-437, the Health Care Improvement Act, have been enacted which provided us guidelines and authority which have enabled us to develop a Tribal plan for a comprehensive health care system. But the present condition of the Sacaton Hospital defeats any attempts by Gila River Indian Community to develop an adequate health care system which will address the Public Health patient care standards of accessibility, acceptability and availability of health services. We strongly believe in preventive health care, but an expansion of Tribal health programs in this direction will overload the already inadequate hospital which must serve as a primary care provider.

The Gila River Tribe has been working closely with the Indian Health Services Area Office of Program Planning and Evaluation, the Sacaton Service Unit Director, and the Office of the Director of Indian Health Service, in a joint planning effort to determine the adequate size of the replacement hospital needed. Our joint planning efforts based upon the proposed G.A.O. formula for hospital bed methodology, indicates a need for a 40 bed basic health facility to replace the old hospital. Our Tribe supports the need and the request for this 40-bed facility.

As you are probably aware from previous testimonials, the Gila River Indian Community is unfortunately unique in respect to specific health problems as compared to most other Indian Communities and the nation. These are the high incidence of diabetes and arthritis.

Diabetes among the inhabitants of the Gila River Indian Reservation is 10 to 15 times as common as in the general United States population. The prevalence of the disease is approximately 50% among those aged 35 years and over, and Pima Indians have the highest prevalence of diabetes mellitus yet recorded anywhere in the world.

In the past decade the Gila River Tribe has experienced an almost epidemic increase of End Stage Renal Disease patients who require expensive renal dialysis treatments for survival. Ninety per cent of the renal dialysis patients are the result of complications of diabetes. In 1975, we had approximately 4 patients; this past year we had 20. The Indian Health Service medical staff at the Sacaton hospital are projecting between 30 to 50 renal dialysis patients within the next decade.

The present patients must be transported over 100 miles three times a week to contract hospitals for dialysis treatments. A typical patient must spend 4 hours a day, 3 days a week on dialysis machines. The patients are old and are often ill following treatment and the lengthy transportation adds to their pain and suffering.

In addition to the pain and suffering, the costs of contract care and transportation is high. The Phoenix IHS Area spends $1,750,000 for contract dialysis and an additional $64,000 for transportation. The cost per patient for dialysis is $35,000 per year and aside from better care, which would result from the ability to care for patients near their homes on the reservation, substantial savings would result if that care were provided in the I.H.S. hopsital.

Other complications of diabetes result in the need for physical therapy services for treatment of amputees, foot problems, pain, ulcers, deformities and arthritis which is often associated with diabetes. In 1974, Sacaton patients accounted for nearly 21% of the surgical procedures at the Phoenix Indian Medical Center related to amputation of the toes and feet.

In addition to arthritis and complications of diabetes requiring physical therapy services, many of the accident victims require physical therapy. Accidents are the number one cause of hospitalization on our reservation.

As our need of physical therapy services is demonstrated, services for physical therapy are offered only one-half day a week under the Tribal Chronic Illness Project. Consequently, most patients who need therapy must receive it at Phoenix Indian Medical Center. This means that the Gila River patients must travel again over 100 miles to receive treatments.

Based on a projected population of 10,775 in 1988, and a utilization rate for both inpatient and outpatient of 10%, approximately 6,400 physical therapy visits are projected.

I thank you for this opportunity to testify and for your due consideration of our health care needs.

STATEMENT OF PATRICK BACA, LIEUTENANT GOVERNOR AND ADMINISTRATIVE MANAGER OF THE PUEBLO OF SANDIA

ACCOMPANIED BY GERONIMO CHAVEZ, MEMBER OF THE TRIBAL COUNCIL

Ms. RICHARDSON. The next witnesses represent the Pueblo of Sandia, Mr. Avila and Mr. Baca.

Mr. BACA. Madam Chairman, we appreciate the opportunity to testify today.

With me is Geronimo Chavez, with our tribal council.

My name is Patrick Baca. I am the lieutenant governor and administrative manager of our tribe.

We are here today to support the $1.9 million appropriation which we understand is proposed by the Bureau of Indian Affairs, under its fiscal year 1982 budget for Indian action teams. That, we understand is to be for use in strengthening smaller tribes' governing capacities.

Last year, I appeared before this committee to testify as to the problems smaller tribes have, using the ZBB process, known as the zero-based budgeting process, in multitribal agencies.

It does not allow flexibility for the small tribes to really impact the system.

I indicated that, last year, although we had tried to use the system for fiscal years 1978 through 1980, our allocation under 638 was in the low-$20,000 category. That would be considered an adequate base, in order to provide for direction and actual implementation of economic development, which we are at the present time investigating.

We benefited from the consideration of this committee last year. So, using that amount of money that we were allocated, we are providing the tribal council currently with direction on economic development and feasability.

Along with that, we are developing our administrative capability with staffing, and with improvement of our 638 financial management system, and so forth, building an internal governing capacity, so that the tribal council can satisfactorily look at economic development.

Beyond that, we are in the process of developing a farm and a sand and gravel business plan, which my staff will be presenting to the tribal council, and moving toward economic development.

We are augmenting that with the use of categorical funding.

We are at the present time using block grants programs to assist us in this effort.

In any case, we are here to provide some indication of what Sandia has been doing in the past, what we intend to do in the future, and what our feeling is about the ZBB process.

It might interest you to know that we have prepared a brief for the Senate Select Committee on Indian Affairs, on our comments regarding the ZBB process. I understand that is to be on the agenda for this first session of the 97th Congress. And, as early as this morning, we met with officials from the Bureau of Indian Affairs, to discuss the issue at hand.

Those are our comments.

We're here to support the $1 billion appropriation we understand is proposed for the Bureau of Indian Affairs' 1982 budget, highlighting the Indian action teams.

Ms. RICHARDSON. Thank you, very much.

[The statement follows:]

STATEMENT OF THE SANDIA TRIBAL COUNCIL

Mr. Chairman, we appreciate this opportunity to testify today. With me is Geronimo Chavez of the Sandia Tribal Council. My name is Patrick Baca. I am Lt. Governor and Administrative Manager of our tribe. We are here to support the $1.9 million appropriation we understand is currently proposed for the Bureau of Indian Affairs' (BIA) Fiscal Year 1982 Indian Action Team Budget, that designated for the self-determination purpose of strengthening smaller tribes administrative and professional technical governing capacities.

Appearing before this Subcommittee on the Fiscal Year 1981 budget, I testified as to the inadequacy of the current Zero Based Budgeting (ZBB) procedure, as a mechanism for equitably allocating Public Law 93-638 self-determination funds, stating that smaller tribe priorities do not receive realistic allocations under multi-tribal agency distribution procedures. At that time, I indicated that in spite of specifying business enterprise development, self-determination and Indian Action Team as 1-2-3, from the 20 possible program elements, Sandia's yearly P.L. 93-638 formula distributions have been $21,600., $25,000., and $23,600. repectively for fiscal years 1978, 1979 and 1980--hardly a satisfactory governmental base from which to persue economic development options undertaking.

Benefiting from the Fiscal 1981 consideration given to smaller tribes contracting needs by the Interior Appropriations Committees which

> "Directed the BIA to give special consideration in funding Indian action programs to those small tribes with inadequate tribal government capacities in order to strengthen these governments,"

Sandia is using its allocation to provide tribal council with informed recommendations as to their pending decisions regarding reservation economic development.

We are augmenting our administrative capabilities by the addition to our tribal government staff of an administrative assistant and secretary, and through necessary management training and technical assistance. Our professional and technical capabilities are being enhanced significantly by the addition of the following staff: An economic development officer, fiscal officer, and land resources coordinator, whose functions will be assisted by appropriate economics, geology, legal and marketing technical assistance.

Despite the lateness of program start well into this second quarter of Fiscal 1981 (due to the Indian Technical Assistance Center not being allotted the $1.55 million in small tribes add-on until January 1981), once getting our new staff and consultancies into place, we intend to strengthen our Public Law 93-638 approved financial management system, establish a management system for federally purchased property, revise our personnel policies and procedures, and establish a lease management system. These internal, governmental capacity building features will encourage Sandia Tribal Council in their consideration of proposed economic options undertaking.

(A brief digression will lend clarity to my subsequent remarks regarding the inhibiting factor that Bureau administrative vacillation places upon tribal economic self-sufficiency initiatives. During October 1980, and reiterating concern expressed in the Interior Appropriations Committee report of July 1980, that admonishing the Bureau for lack of "detailed planning for a Reservation Economic Development Initiative," Sandia received from the Commissioner of Indian Affairs correspondence stating "we are progressing in a deliberate manner to insure ourselves that we dc not duplicate any of the past problems with our on-going efforts." [This correspondence exchange is attached to our statement.] This reply appeared incongruous to our Tribal Council inasmuch as at that very moment the Superintendent of the 10 Southern Pueblos Agency in Albuquerque was having submitted a consultant prepared *Economic Options Report* undertaken during Fiscal Year 1980. That report, recommending the need for tribal capacity building, and outlining phased, tribally-specific economic development options, further mystified Sandia upon our being informed that there would be no follow-up appropriation to this initiative in the Fiscal Year 1982 Bureau budget submission to the Congress. As we understand the

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following statement appears in the Fiscal Year 1982 *Budget Estimate* of the Department of the Interior, under the heading "New Initiatives to Address Major Areas of Need in Indian Country," Sandia's Tribal Council remains perplexed--and, therefore, reluctant to proceed very quickly in this proposed area:

> "A Plan is being developed for a new approach in dealing with economic development needs of Indian communities. While fiscal demands of this initiative are not yet fully developed, $250,000. is requested in this budget to provide continuing policy leadership for this effort.

In summary, this sort of "go/stop" budgeting, as it reflects administrative inexactitude, is contrary to developing confidence in the self-determination mandate the Congress originally expressed to tribes in the Public Law 93-638 legislation. I, therefore, respectfully recommend that Bureau officials be requested to provide specificity as to details of their "continuing policy leadership" in reservation economic development, during their own testimony before your Subcommittee on the Fiscal Year 1982 budget.)

Thus, having re-designed our Fiscal 1981 self-determination program in accordance with Public Law 93-638 and Indian Action Program guidelines, Sandia is strengthening its tribal government so that our Tribal Council can consider feasible economic options. (The Indian Technical Assistance Annual Report Introduction is attached to our statement.) Employing the "Initiatives Implementation Plan" (from the aforementioned Economic Options Report) as a working document, and utilizing our newly implemented internal, tribal capacity, my staff will be compiling business plans for subsequent consideration as proposed economic undertakings. The first of these proposed initiatives reflect the Phase I - Immediate Development Alternatives outlined in the Options Report. These, and other Phase II and III Options, would be considered for their feasibility, if we are able to keep intact our new-found cadre of administrative and professional staff. (At the Chairman's discretion, I have with me the twenty-page Phase I-II-III - Initiatives Implementation Plan, for printing in the hearing record, if that be desirable.)

Throughout the remainder of Fiscal 1981, then, my staff will be compiling business plans for Tribal Council consideration for (a) A Farming Co-Operative, and (b) A Sand and Gravel Enterprise. Relating to these undertakings, and as considerably augmented by a comprehensive planning staff position and a consultancy, as provided by Department of Housing and Urban Development (DHUD) categorical funding, the following activities are also underway at Sandia:

- -Formation of a tribal economic development and business management committee,
- -Utilizing land use documents prepared during Fiscal 1980, recommendations to Tribal Council of policies for land use and development,
- -Preparation of a tribal ordinance to control land use and development.

Proceeding in tandem, these outlined efforts have the possibility of charting a realistic self-sufficiency course for Sandia Pueblo to persue. We are quite concerned, however, that administrative vacillation not be allowed to undercut the direction now being initiated for our tribe. (While aware this is not under the jurisdiction of this Subcommittee, I nevertheless want to be on record as being disturbed by the loss of DHUD - 701 Indian Comprehensive Planning Program--unless, the Urban Development Action Grant (UDAG) Program, for example, is able to incorporate tribal needs into its small cities funding. A copy of correspondence from the Director of DHUD's Region IX - Office of Indian Programs, regarding Sandia use of such funding is attached to this statement.) Of more pertinence to the record of this Subcommittee is my statement that if Bureau of Indian Affairs yearly appropriations (as reflected in the current Zero Based Budgeting (ZBB) procedure) could assure Sandia of staffing continuity, this would be the preferable arrangement--as it is the Bureau that carries the Congressional mandate for response to tribal, self-determination initiatives.

In closing, I want to re-emphasize Sandia support of the proposed $1.9 million increase in the Indian Action Team budget for Fiscal Year 1982, as our understanding of that request reflects the equity consideration for strengthening smaller tribe governing capacity. (For Fiscal 1981, this need is being met through the $1.55 million add-on.) I want to further state that in the spirit of budget restraint as currently being expressed by the President to the 97th Congress, Sandia is not requesting a 13% inflationary increase from its $150,000. Fiscal 1981 Indian Action Program allocation; and, believing this belt-tightening gesture to be a necessary one, if the fiscal 1982 Bureau budget should ultimately reflect an across-the-board 20% cut, Sandia stands ready to accept a further 7% "real" budget decrease.

Being appreciative of the time you have already given us today, I nevertheless feel compelled to lend our endorsement to the request we understand is contained in the All Indian Pueblo Council's testimony to this Subcommittee, that for an appropriation to construct irrigation systems at the various Pueblos. $1.4 million is required, in current dollars, to construct such a system at Sandia, which, if timely authorized, would have necessary infrastructure in place as our Tribal Council considers the economic potential of the proposed Farm Enterprise. (It would appear that the Fiscal 1982 $8.4 million proposed "for small projects which promise a quick return on investment," as part of the overall proposed $56.8 million Irrigation Construction estimate, could be employed to assist Sandia.)

ATTACHMENT A

[illegible] 1980

Victor A. Montoya, Governor
Pueblo of Sandia
PO Box 608
Bernalillo, New Mexico 87004

Dear Mr. Montoya:

Thank you for your letter dated October 6 regarding the Congressional concern with the pace of the Bureau's "Economic Development Initiative."

The Bureau of Indian Affairs shares your concern. We are presently working toward developing an Indian "Economic Development Initiative." We are progressing in a deliberate manner to insure ourselves that we do not duplicate any of the past problems with our ongoing efforts.

The Albuquerque Area Office or your local agency should assist you with the information and assistance you seek.

Sincerely,

/s/ William E. Hallett

Commissioner of Indian Affairs

October 6, 1980

Commissioner William Hallet
Bureau of Indian Affairs
Room 4600
U. S. Department of the Interior
18th and "C" Streets, N. W.
Washington, D. C. 20240

Dear Mr. Commissioner:

It has come to our attention that Congressional concern with the pace of Bureau "Economic Development Initiatives" has been recently cited in language included in Department of the Interior Fiscal Year 1981 Appropriations Subcommittee Report. Under Reservation Development, the Bureau is admonished for "neither setting a goal nor taking action to develop a detailed plan"..."for the purpose of undertaking initiatives to develop viable, self-sustaining economies on Indian reservations"...and "to begin to assist a few tribes in the creation of stable economies..."

Because such Congressional concern could well result in reduced appropriations for tribal reservation development initiatives, I want you to be aware of growing concern within our tribe that the Commissioner's Office timely respond to the Appropriation Committee request for a detailed plan.

I further entreat you to see to it that work begun under Fiscal Year 1980 Contract from our Southern Pueblos Agency here in Albuquerque, that charting economic development options for our tribe, not be allowed to cease for lack of F. Y. 1981 reservation development allocations.

I further request that you advise our tribe soon of Bureau "Economic Development Initiative" staff, and/or resource persons, available to consult with us in this matter of importance to self-determination and tribal self-sufficiency development.

Sincerely,

Victor Montoya

Victor A. Montoya, Governor

ATTACHMENT B

1979 ANNUAL REPORT
INDIAN TECHNICAL ASSISTANCE CENTER
I.T.A.C.

INTRODUCTION

The Indian Action Program was developed by the Bureau of Indian Affairs and is administered and operated by authorities promulgated in the Snyder Act and Indian Self-Determination and Education Assistance Act (P.L. 93-638) to provide Indian Tribes and Alaska Native peoples with the resources and technical assistance necessary to develop their human and natural resources. This includes the development and implementation of various governmental management functions with which the Tribe can increase the level of professional competence and skills, improve the standard of living and provide cultural and economic opportunities through increased economic development among Indian people living on reservations and in Indian communities.

The Program is consistent with self-determination and encourages Tribes to assume Bureau programs and redesign them based on Tribal initiative and priorities as expressed in Tribal Comprehensive Plans or similar planning documents.

The Indian Action Program has been in existence for seven (7) years, providing funding, administration and technical assistance and has increased to some 86 Indian Contractors. The contractors in turn provide: 1) Tribal members with the necessary preparation in occupations facilitating construction and operation and maintenance of reservation facilities; 2) Assistance to Tribal governments in the administration and management of various reservation programs; 3) Provide Tribal members with satisfactory home and community conditions through resource development and personal enrichment by providing work opportunities through temporary employment experiences with the program; 4) Development of cultural and economic opportunities for both social and economic stability; and 6) Improvement of the physical environment - conservation management and utilization of reservation natural resources.

The Indian Technical Assistance Center (I.T.A.C.) provides staff assistance to the Director, Office of Tribal Resources Development in operating the Indian Action Program. Specifically, ITAC provides guidance, technical assistance and resources to Indian Action Program contractors; administers the Indian Action Program in accordance with objectives and priorities of tribal governments; and administers programs and funds for other Federal agencies having interagency agreements with the Bureau.

Through the Bureau's organizational structure, ITAC has the operational responsibility of the Indian Action Program which is national in scope and administers 86 Indian Action Program contracts involving some 156 Tribal governments. Approximately 97% of the annual appropriation is contracted directly to eligible tribes with the balance administratively supporting the Indian Technical Assistance Center including the ITAC staff of 25 Full-Time permanent employees.

The goals of the Indian Technical Assistance Center (ITAC) are to provide technical assistance to Tribal governments in conducting needs analysis, development of plans, establishment of priorities, development of programs, budgets, proposals and the negotiation and administration of contracts.

ITAC also plans, develops and assists Tribal governments to implement management systems to assist them in developing more efficient operations and complying with applicable Federal statutes while operating Indian Action Programs. In order to accomplish the goals of the Indian Action Program, ITAC's objectives are to provide professional assistance to Tribes and Tribal organizations on a systematic and timely basis in the development of 1) human resources, 2) economic activity and 3) strengthening Tribal governments in the administration and management of program contracts pursuant to the Indian Self-Determination Act (P.L. 93-638) through funds provided by Fiscal Year appropriations and/or fund transfers resulting from interagency agreements.

The objectives of the contractors are required to be consistent with Tribal goals and priorities as stipulated in the Tribal Economic Development Plan (O.E.D.P.) or Comprehensive Plan. The objective(s) must encompass one or more of the following major activities; Employment, Business Development, Management Training, Construction and the Conservation/Development of Natural Resources. The definitions of the major program activities are as follows:

EMPLOYMENT

The Indian Action Program is a resource for employment, if other programs under the Tribe's jurisdiction do not fund or provide for this option. Salaries of employees are at the discretion of the contractor and will be judiciously applied, with adherence to an established Tribal salary schedule whenever possible.

Contractors are required to establish and publish personnel procedures and maintain complete personnel records; including position descriptions, wage and salary records, staff records (time and attendance, test results, accountability, etc.), evaluations and status reports.

BUSINESS DEVELOPMENT

The development of a successful business is the primary means of developing or adding to the economic base of the reservation. As businesses are developed, employment and capital are created. The business may be product or services-oriented and may be for profit or non-profit, although only a profit-oriented enterprise will add real capital to the economic base. Market/economic analyses are generally the first step toward business development.

As part of the Indian Action program, involvement of private, Federal, State and local agencies will be encouraged in business development. The degree of involvement by other agencies may vary, as may the type of involvement. The involvement may include funds or direct technical assistance.

MANAGEMENT:

Management is a system for controlled decision-making; including the judicious use of resources toward the accomplishment of a desired end.

In order to implement the Comprehensive Plan, it is essential that the contracting Tribe establish and maintain a functioning management system. This system will encompass traditional management functions; e.g., plannings, controlling, organizing, directing, etc. Management related technical assistance is provided by ITAC at the request of the contracting Tribe and will be in areas such as Personnel, Property and Finance.

Indian Action Program funds may be used to implement a management system where none exists; to evaluate an existing system; to revise a system and to add or delete portions of a system.

TRAINING

Training is provided for or conducted by the Contractor. The purpose of training, as it relates to the Indian Action Program, is to prepare Tribal members for employment. Training is also a process for aiding present employees to increase effectiveness in their present and future positions. Training will enable individuals to make greater contributions to the Tribe as they assume employment in various positions throughout the reservation.

PLANNING AND CONSTRUCTION

All construction shall be of general benefit to the Tribe(s) and will encompass: new construction, rehabilitation, maintenance and operation of roads, residential and non-residential facilities and utilities.

CONSERVATION AND DEVELOPMENT OF NATURAL RESOURCES

Conservation may be described as planning management of a natural resource to prevent exploitation, destruction or neglect; while development is a process of directed growth in pursuing a desired end. Activities concerning this objective will be undertaken as directed by the Tribal Comprehensive Plan.

ATTACHMENT C

18 SEP 1980

Honorable Victor A. Montoya
Governor
Sandia Pueblo
P.O. Box 608
Bernalillo, New Mexico 87004

Dear Governor Montoya:

Subject: Community Development Block Grant
Project No. B-80-SR-35-0906
Monitoring Findings

This letter serves to confirm program monitoring findings made as a result of a September 10, 1980 program review visit to your Community. Tribal staff that were present during our review were yourself, Pat Baca, Tribal Administrator, and Kent Boyer, Planner.

HUD staff involved in the review of your HUD Grant program were Astrid Trauth, Director, Community Planning and Development Division, and Robert Ilumin, Program Manager. Since the Pueblo has just recently initiated its project, the HUD review was limited to the following program areas:

a. Citizen Participation

b. Environmental Review Records

c. Progress on Approved Activities

d. Records and Files Management

In general, we found that the Community is adequately complying with Block Grant procedures and regulations. In addition, program objectives, as outlined by the Pueblo in its approved application, are being initiated in a commendably competent and timely manner. Specifically, our review found the following:

A. Citizen Participation

Program records for this element were found to be complete. The Pueblo has developed a Citizen Participation Plan and has maintained

C. Progress on Approved Activities

As previously mentioned, the Pueblo is currently doing a commendable job gearing up for the project. During the past two months, you initiated program actions that would allow the Pueblo to utilize Grant funds for the project, i.e., environmental review; letter of credit. We also note that you are seriously investigating various options for the construction of the Fire Station in order to maximize the limited Grant funds awarded the project. We understand also that you are investigating the type of Fire Fighting Equipment that would be most appropriate for the Pueblo. You indicated, however, that construction of the station and equipment purchase will be initiated in the Spring of 1981 because of winter and the annual change in Pueblo leadership. We recognize and understand the situation and will entertain a request to modify its schedule accordingly.

Action to be taken: Submission of a revised project schedule.

D. Records and Files Management

The Records and Filing System being maintained by the Pueblo is more than adequate. We did not encounter any problems during our review of Block Grant records. Program files were adequately identified by subject headings making our review of your program easier than expected. We commend you for developing and maintaining an excellent records and filing system.

Action to be taken: None.

Please provide a response to the program findings identified in this letter no later than thirty days (30) from its date.

If you have any questions, please do not hesitate calling Robert Ilumin, Program Manager, at (415) 556-9206.

Sincerely,

Astrid G. Trauth
Director
Community Planning and
Development Division

STATEMENT OF PAMELA E. IRON, COORDINATOR OF THE AMERICAN INDIAN HEALTH CARE ASSOCIATION, INC.

ACCOMPANIED BY:
RUBIN MARINO
KEN NICHOLSON

Ms. RICHARDSON. The next witness is Ms. Pamela Iron, of the American Indian Health Care Association.

Ms. IRON. Madam Chairman, the American Indian Health Care Association appreciates the opportunity to come before this committee again this year.

I would like to make a couple of introductions. On my right is Rubin Marino; he is the administrator of one of the urban health programs in Tuscon, Ariz. To my left is Ken Nicholson; he is health coordinator at the Billings Indian Center.

Basically, the American Indian Health Care Association is a nonprofit business corporation whose members are urban Indian nonprofit business corporations marketing health services to urban Indian people, across the United States.

So, our effort is national in focus.

What we would like to show you today, or talk about, is basically the 41 urban projects that do exist currently. They exist in phase II, phase III, and phase IV programs.

The phase II programs are basically referral and outreach, to access to existing health programs.

The phase III programs are related to direct health care services. In addition to continuing the outreach services that are in Phase II programs, these direct services must usually provided limited primary medical and dental care.

The phase IV programs directly provide comprehensive health care, which includes: medical care, dental care, and also mental health and some other specialty care, also.

The basic need for funding, this year, was a study. Mr. Marino will be talking about that later.

A study was done by Steve Rosenberg and Associates, to bring before the committee, again this year. He did one on the phase IV programs. The committee asked what additional dollars would be needed to actually bring the other programs up to comprehensive health care programs.

So, Rubin will be talking about this.

The urban Indian programs have also been able to identify the lack of Indian health professionals in their recruitment efforts. We urge this committee to continue funding of the title I, section 102, health professions recruitment program, in the Indian Health Care Improvement Act.

In addition, in title V, Congress has recognized that Indians are another segment of the medically underserved population. There is authorization in this for $3 million for 3 years; and we would recommend that ten new starts, at an average cost of $100,000 each, be appropriated.

In addition, I guess I might say that the intent of Public Law 94–437 in title V was to identify other resources, and to integrate services with the other agencies like, for instance, the community health centers, the National Health Service Corps.

This year, we would encourage this committee to support this.

I know it's not in this committee—but to recognize that the laws need reauthorizing, and many of the Indian health programs have developed—the Integrated Community Health Service, the National Health Service Corps, and other parts—of the laws that are up for reauthorization.

So, we encourage this. It would have a serious impact if those extentions weren't made for our 41 urban health programs.

Ms. RICHARDSON. We'll go into that with the Indian Health Service, when they come up, to see just what benefits would be lost if those other programs were not continued as they are now.

Ms. IRON. Good.

Mr. MARINO. Madam Chairman, the report that you have in front of you is a study conducted, as Pam Iron said, by Steven Rosenberg and Associates. It was a follow-up to a study started last year on phase IV programs, which is comprehensive care, as far as delivery of primary care services.

This year, they were done on phase III and phase II; and we hope to demonstrate, by this report, that funding to those levels, to allow them to achieve a higher cost-effective rate of delivery, is really the only way to achieve the intent of the legislation, which is to improve the health status of urban Indians and all Indians, under Public Law 94–437.

Ms. RICHARDSON. Thank you. We will take a look at that. Thank you very much.

[The statement follows:]

STATEMENT OF THE AMERICAN INDIAN HEALTH CARE ASSOCIATION, INC.

Mr. Chairman, members of the Sub-Committee, the American Indian Health Care Association appreciates the opportunity to appear before the Sub-Committee again this year to provide information on the progress of the investment that Congress has made and supported even before the passage of P.L. 94-437, the Indian Health Care Improvement Act.

In order for the intent of Congress as expressed in the passage of Title V of P.L. 94-437, now P.L. 96-537, to improve the health status of American Indians residing in urban areas to become a reality, the American Indian Health Care Association recommends a Fiscal Year 1982 appropriation for Title V to be no less than $14 million. This level would enable 41 urban Indian health programs to achieve a higher quality impact on improving the health status of their patients. By providing access to care or by providing direct preventative health services, the cost of hospitalization and catastrophic care is reduced.

The American Indian Health Care Association is a non-profit business corporation whose members are urban Indian non-profit businesses marketing health services to American Indians living in urban areas across the United States. The current Board of Directors has a representative from each Indian Health Service area which has a significant urban Indian population thus insuring that the Association's activities reflect a national focus. The American Indian Health Care Association has been assisting urban Indian health programs with a national data system, with training provided through workshops and generally coordinating the efforts in promoting urban Indian health for the past five years. The Associati n is a viable organization to the 41 programs for those r ons just listed. We are asking for continuing funding for the American Indian Health Care Association at the level of $500,000.

In 1980, a National Urban Specific Health Plan was submitted to Congress as authorized in P.L. 94-437. In this document, the programs are divided into four phases. The program activities range from the assessment of community health needs to the direct delivery of comprehensive health services.

Phase I Programs are those which are primarily involved in an initial identification, documentation and assessment of unmet health needs and the development of a planning framework from which to fund and guide the future delivery of health care services. There are presently no programs in this initial phase of development.

Phase II Programs are those which have completed the initial analysis of need and serve primarily in an information and referral capacity. These programs might not provide direct health care services but have begun outreach activities to facilitate access into existing health care systems. Outreach activities include transportation, health instruction and education, health agency and institutional liaison and patient advocacy. Currently there are 19 programs in this second stage of development.

Phase III Programs provide limited direct health care services, in addition to the continuation of outreach services. For most Phase III programs, these direct services include the provision of primary medical and/or dental care, usually on a

limited basis. Seventeen programs are in this third developmental phase.

Phase IV Programs directly provide a comprehensive range of health care services. Among those services provided are primary medical and dental care, nutrition services, mental health services, optometric services and health manpower training. Once again, outreach and social services are continued. Five urban Indian health programs are currently in this fourth developmental stage.

In addition, the Fiscal Year 1980 services provided are shown by table, Attachment A. This table shows percentage increase of workload data as compared to 1979 services. There was an average of 55 percent overall increase in services provided. The accomplishments of the phases are portrayed in Attachment B. In addition to those accomplishments listed, many of the programs have implemented career opportunities for the staff and the Indian community which they service. Approximately 1,500 individuals are full-time employees in the 41 programs.

The urban Indian programs have been able to identify the lack of Indian Health professionals in their recruitment efforts. We urge this committee to continue funding of Title I, Sect. 102, the Health Professions Recruitment Program for Indians.

In Title V, Congress has recognized rural Indians as another segment of the American Indian population having unmet health needs. The rural Indians are those Indians not living on reservations and not living in urban areas. This recommendation would allow for ten (10) new starts at an average cost of $100,000 each. These funds would be used to further identify those unmet health needs and the gaps in health services delivery.

One of the intents of 94-437 was to identify other resources and integrate services with other agency programs under the Public Health Service. We encourage this committee to reauthorize the following legislation which has serious repercussions on all medically underserved population if it is not extended.

	Appropriations (In millions)
Community Health Centers (Section 330, PHS Act)	$397
Hospital-Affiliated Primary Care Centers (Section 328, PHS Act)	
Migrant Health (Section 329 PHS Act).	56
Primary Care Research and Demonstration (Section 340, PHS Act)	8
National Health Service Corps (NHSC 305)	

We urge Congress to reauthorize these programs immediately, placing them as top priority on the calendar.

In conclusion, the American Indian Health Care Association is acutely aware of the efforts to reduce government spending. We are not asking for excessive spending in a marginal area of need. We ask this Committee to support an appropriations level of no less than $14 million for FY-82 for Urban and Rural Indian Health Services. Adding this amount to the administration's request will enable Indian health programs to accomplish the tasks called for in P.L. 94-437 and fulfill the purposes of the act.

Attachment A

URBAN INDIAN HEALTH PROGRAMS - FY 1980 WORKLOAD DATA

Phase of Development	Outreach and Referral	Medical	Dental	Other	Total Services by Project
Phase IV					
Minneapolis	28,786	13,370	6,575	11,571	60,302
Milwaukee	5,799	8,749	6,609	48,317	69,474
Seattle	15,203	31,863	6,624	1,294	54,984
San Francisco	3,906	5,834	9,348	4,889	23,977
Compton	7,929	18,091	5,009	6,180	37,209
TOTALS BY SERVICE CATEGORY	61,623	77,907	34,165	72,251	245,946
(% increase over 1979)	(61.1)	(21.8)	(47.8)	(14.2)	(30.4)
Phase III					
Tulsa	9,499	6,408	-0-	1,011	16,918
Oklahoma City	3,000	9,300	1,500	400	14,200
Wichita	41,088	2,220	1,339	1,966	46,613
Dallas	1,033	5,216	1,716	2,354	10,319
Portland	2,500	5,492	-0-	1,120	9,112
Spokane	473	6,385	1,964	1,352	10,174
Detroit	15,201	2,318	336	2,683	20,538
Tucson	6,210	5,108	-0-	4,980	16,298
Great Falls	3,547	1,454	497	54	5,552
Fresno	1,444	555	1,567	250	3,816
San Jose	7,937	2,632	1,264	1,355	13,188
Sacramento	2,630	2,761	2,300	2,739	10,430
Huntington Park	1,703	9,960	1,852	441	13,956
Santa Barbara	595	-0-	3,038	1,375	5,008
Billings	1,419	1,960	122	1,286	4,787
Missoula	6,010	897	402	205	7,514
San Diego	5,073	1,843	1,864	1,500	10,330
TOTALS BY SERVICE CATEGORY	109,362	64,509	19,761	25,121	218,753
(% increase over 1979)	(84.6)	(56.2)	(96.7)	(176.1)	(82.8)
Phase II					
Chicago	4,371	-0-	-0-	-0-	4,371
Green Bay	3,200	-0-	-0-	200	3,400
Denver	1,328	-0-	184	215	1,727
Omaha	4,684	-0-	-0-	1,906	6,590
SD Urban Indian Health	3,500	140	251	250	4,141
Albuquerque	2,981	-0-	-0-	1,633	4,614
Helena	12,444	-0-	-0-	-0-	12,444
Anaconda	2,756	170	57	74	3,057
Miles City	2,952	-0-	-0-	-0-	2,952
Havre	3,588	-0-	-0-	-0-	3,588
Butte	981	-0-	-0-	-0-	981
Los Angeles	1,468	-0-	-0-	923	2,391
Bakersfield	7,177	-0-	-0-	-0-	7,177
Phoenix	4,031	9,316	-0-	-0-	13,347
Reno	2,125	642	-0-	206	2,973
Salt Lake City	1,035	186	-0-	3,769	4,990
Eugene	4,487	-0-	-0-	11,167	15,654
Boston	1,158	-0-	-0-	252	1,410
New York City	1,132	532	425	1,856	3,945
TOTALS BY SERVICE CATEGORY	65,398	10,986	917	22,451	99,752
(% increase over 1979)	(13.7)	(222.7)	(24.8)	(364.1)	(50.0)
GRAND TOTAL - 564,451					
(% increase over 1979) (50.6)					

Attachment B

ACCOMPLISHMENTS

Specific examples of major accomplishments of urban Indian health programs during the past three years are presented below. A major accomplishment for programs in all developmental phases was the designation of the urban Indian population as a Health Manpower Shortage Population during 1978. This disignation made possible the placement of National Health Service Corps providers in urban Indian health programs. To date, eighteen National Health Service Corps assignees have been placed in seven urban Indian health programs.

Phase I: The fact that none of the existing programs are in the first developmental phase can be considered a major accomplishment in itself. The developmental progression from Phase I to Phase II has occurred primarily during the past three years, largely through the availability of Title V funding. Accomplishments include:

1. Establishment of Health Boards and/or Advisory Committees.
2. Completion of an initial population and community resource identification, health needs assessment study, Urban Specific Health Plan, and initiation of an ongoing system of assessment.
3. Implementation of a continuing process of health planning and resource development.

Phase II: The following are some of the major accomplishments of individual programs in the second developmental phase:

1. Establishment of information and referral systems.
2. Dissemination of health resource information to the local urban Indian community.
3. Development and implementation of community outreach services to facilitate access into existing health care delivery systems.
4. Development and implementation of health data systems.
5. Development and/or improvement of cooperative agreements and informal linkages with tribal programs and existing local health care delivery systems.
6. Development of contracts with private-sector health providers for the delivery of health care to urban Indians.
7. Establishment and operation of health and nutrition education and information programs and health screening services.
8. Development and implementation of volunteer health care services.
9. Development and implementation of staff training programs.

Phase III: Major accomplishments of Phase III programs include:

1. Establishment, implementation and continued development of direct primary medical and/or dental care.
2. Increased development of physical and financial resources to support the delivery of health care.

3. Improvement of administrative, mangement and financial capabilities.

4. Training of Indian health professionals and paraprofessionals by serving as training placement sites.

5. Development and implementation of third-party billing systems, including negotiation of Medicare and Medicaid contracts, and billing arrangements with private insurance companies.

6. Development and implementation of sliding fee scales and a system of individual patient billing.

7. Negotiation of formal linkages and agreements with an expanded number of local health providers and agencies.

8. Development and implementation of patient tracking and follow-up systems in order to ensure proper health maintenance and preventative care.

9. Establishment and operation of specialty service clinics (i.e., well-child clinics, adolescent clinics, hypertension clinics, immunization clinics, OB/GYN clinics, etc.) and/or satellite clinic services.

Phase IV: In addition to building upon the achievements listed in the previous program phases, major accomplishments of Phase IV programs include:

1. Operation and expansion of a comprehensive health care delivery network.

2. Development, implementation and refinement of quality assurance plans.

3. Further development and improvement of internal management and evaluation systems.

4. Initiation of cost effectiveness studies, including determination and comparison of costs by type of service.

5. Development and implementation of health manpower training programs.

6. Active involvement in policy and/or advisory committees of local, state, federal, and other resource agencies for purposes of improving services to urban Indians.

Clearly, the investment in urban Indian health programs has produced an environment in which an underserved population with major health problems can seek and receive acceptable health care services. The benefits of those services are beginning to be demonstrated in a few of the more comprehensive urban Indian health programs and can be seen in terms of dramatically improved hypertension control, immunization status and maintenance care. Quality assurance programs now being developed are expected to produce important information in monitoring other health status indicators.

The Native American Rights Fund, working in conjunction with the American Indian Health Care Association, sought to document how effective the Title V Urban Health Projects have been in addressing the health care needs of the urban American Indians. As part of their legislative initiative, Native American Rights Fund contracted with an independent consultant to evaluate three of the programs delivering a comprehensive range of health care services. (A copy of this report is being submitted to the Committee staff.) The goal was to assess what Federal dollars buy, to examine the cost effectiveness of those dollars, and to extrapolate as to what would happen if other programs in earlier phases of development were given increased funding. As a conclusion, all of the programsevaluated have

shown a significant impact upon the overall health status of their communities and all are in the process of developing and/or maintaining a quality assurance program to review clinical care, delivery mechanism and acceptability of services renders.

Attachment C

LISTING OF THE URBAN INDIAN HEALTH PROGRAMS FUNDED THROUGH TITLE V OF THE INDIAN HEALTH CARE IMPROVEMENT ACT (94-437)

American Indian Health Service - Chicago
Michigan Indian
United Amerindian Center, Inc. - Green Bay
Milwaukee Indian Health Board
Indian Health Board of Minneapolis
United Indians of Nebraska - Omaha
Albuquerque Urban Indian Center, Inc.
Denver Indian Health Board
Montana United Indian Association
Dallas Inter-Tribal Center
Indian Health Care Resource Center - Tulsa
Oklahoma City Indian Health Project
Nevada Urban Indians, inc. - Reno
Salt Lake City Indian Health Center
Urban Indian Health Project - Phoenix
Eugene Indian Center
Seattle Indian Health Board
Spokane Urban Indian Health Service
Urban Indian Council - Portland
Traditional Indian Alliance - Tucson
American Indian Community House - New York
Boston Indian Council
American Indian Free Clinic - Compton
California Urban Indian Health Council, Inc.
- American Indian Council of Central California - Bakersfield
- Fresno Indian Health, Inc.
- Indian Free Clinic, Inc., - Huntington Park
- Indian Health Center of Santa Clara Valley, Inc.
- Los Angeles Urban Indian Health Center, Inc.
- Sacraments Urban Indian Health Project, Inc.
- San Diego American Indian Health Center
- Santa Barbara Urban Indian Health Project, Inc.
- Urban Indian Health Board, Inc. (Oakland/San Francisco)

American Indian Health Care Association, Milwaukee
Wichita Urban Indian Health Center, Inc. - Kansas

STATEMENT OF JOHN C. RANIER, SR., DIRECTOR, AMERICAN INDIAN SCHOLARSHIPS, INC.

Ms. RICHARDSON. Mr. John Ranier, American Indian Scholarships.

Mr. RANIER. Thank you, Madam Chairman.

My name is John C. Ranier, from Taos, N. Mex. I appreciate the opportunity to appear before this committee, to explain the objective of our organization.

The American Indian Scholarships, Inc., is a nonprofit, tax-exempt 501(c)(3) organization, controlled entirely by an all-Indian board of directors. It is national in scope, and assists any qualified Indian applicant who is one-fourth or more of Indian blood, quantum, and is a member of a federally recognized tribe.

Our primary purpose is to provide financial assistance to deserving Indian post-graduate students working and studying in Master's and Ph. D. degree levels.

In addition, we consider our scholarship assistance as an investment in producing a productive Indian citizen who will contribute to the growth and upgrading of a standard of education and health in the Indian community. And, by doing so, will ultimately exonerate the stereotype image which has been associated with the American Indian people.

Today, we believe the American Indian Scholarships, Inc., is the only Indian organization in the United States exclusively dedicated to securing financial assistance for Indian students attending graduate school.

In the 10 years of our existence, we have awarded nearly 2,300 partial scholarships to Indian men and women doing graduate work and attending medical school. While we are very proud of our success in awarding so many scholarships, we should point out the fact that the number of scholarships we have awarded is but a fraction of the total number needed.

Since January 1981, AIS has already received 203 applications, requests for academic year 1981–82. All have been sent applications. The first screening of applications by the board of directors is scheduled for the middle of June.

Ms. RICHARDSON. When you have so many more applicants than money, how do you choose? Is it on the basis of academic background? Or proposed profession?

Mr. RANIER. We get the requests for applications to have our board of directors consider the applicants attending graduate school. Our concern is to give financial assistance to any qualified and accepted student at a univeristy.

The average cost nowadays runs at $6,000 per discipline, per academic year. This could go up to as high as $11,000 for a medical student.

This year, the Bureau of Indian Affairs is requesting, again, only for $1.8 million to provide assistance to Indian graduate students, $1 million of which is to be contracted with the University of New Mexico Indian Law Center, to produce Indian attorneys.

The $800,000, hopefully, would be contracted to us.

In reality, we are requesting the Congress to appropriate a realistic figure of $3,250,000 for Indian graduate students, for fiscal year 1982.

This figure, if contracted to American Indian Scholarships, will allow for a nominal 650 students, an average grant of only $5,000.

Based on our experience and track record, we request that we become the entire contracting body, with a budget line item within the Bureau of Indian Affairs for the division of higher education and special programs.

Ms. RICHARDSON. Has the Bureau changed its mind on the plan that they had last year, to distribute that money to area offices?

Are you going to have a contract problem again this year?

Mr. RANIER. The Bureau was mandated with Congress to contract with us. In spite of that, they went ahead and did provide financial assistance to some post-graduate students.

Ms. RICHARDSON. Thank you very much.

[The statement follows:]

75-548 O - 81 - 12

Statement of the American Indian Scholarships Inc.

Mr. Yates and Subcommittee Members and Subcommittee Staff, my name is John C. Rainer, Director of American Indian Scholarships, Inc. I appreciate the opportunity to explain the facts concerning the needs of Indian graduate students nation-wide, as well as the purpose and the objectives of American Indian Scholarships, Inc. Unfortunately, the Bureau of Indian Affairs has been negligent in informing Congress as to the true nature of not only the financial needs of Indian graduate students, but the dire need of professionally trained Indians to administer their own programs in their communities and tribal programs and administration as mandated by Congressional Act, Public Law 93-638. Based on our experience and surveys of the number of Indian graduate students working toward their Master's and Ph.D. degrees, as well as those seeking financial assistance, the BIA's request of only $1,800,000 each fiscal year borders on the ridiculous. However, this is understandable in view of their fear of the Office of Management and Budget!

This year, we are again requesting that the Congress appropriate a realistic amount of $3,250,000 for Indian graduate scholarship grants for FY82. This figure, if contracted to American Indian Scholarships, Inc., will allow for a nominal 650 students an average grant of $5,000, even though the realistic range is up to $11,000 for medical students. Based on our experience and track record, we request that we become the entire contracting body with a budget line item within the Bureau of Indian Affairs for the Division of Higher Education, Special Programs.

Last year, the Appropriations Committee saw fit not only to secure funding for Indian graduate level scholarships, but mandated BIA to contract with us. I sincerely hope you will again realize the important service American Indian Scholarships (AIS) offers. It is our understanding that for FY82 and FY83, the BIA will be asking again only for $1,800,000, $800,000 of which will hopefully be contracted to AIS, the remainder to be contracted to The American Indian Law Center in Albuquerque, New Mexico.

I would like to call your attention to the following facts:

1) American Indian Scholarships, Inc., is a non-profit, tax-exempt (501-C-3) organization. It is national in scope and assists any qualified Indian applicant who is 1/4 or more of Indian blood quantum and is a member of a federally recognized tribe. Its primary purpose is to provide financial assistance for deserving American Indian post-graduate students working and studying in the Master's and Ph.D. degree levels.

   In addition, we consider our scholarship assistance as an investment in producing a productive Indian citizen who will contribute to the growth and upgrading of the standard of education and health in the Indian community and, by doing so, will ultimately exonerate the stereotyped image which has been associated with the American Indian people.

2) To date, we believe AIS is the only organization in the United States exclusively dedicated to securing financial assistance for Indian students attending graduate school.

3) In its decade of existence, AIS has awarded nearly 2300 partial scholarships to Indian men and women doing graduate work and attending medical school. While we are very proud of our success in awarding so many scholarships, we should point out that the number of scholarships we have awarded is but a fraction of the total number needed. (Since January 1981,

   AIS has already received 203 application requests for Academic Year 1981-82. All have been sent applications. The first screening of applications by the AIS Board of Directors is scheduled for the middle of June.)

4) In Academic Year 1980-81, 218 students have persevered in spite of the difficulties created by the BIA in its delays. In fact, we did not receive partial FY81 funds until January 28, 1981, half-way through the academic year. We are thankful most institutions of higher learning deferred Tuition & Fees, Books & Supplies payments until funds became available.

5) In a study done by our organization, we found that by 1979 the number of Indian men and women desirous of attending graduate school had increased by 748.3% since 1967.

6) The need for scholarship assistance to Indian people at the graduate level is continuing to increase rapidly. If we are ever truly to achieve self-determination as mandated by Congress through PL 93-638, we must have professionally trained Indian men and women in leadership postitions working to upgrade health, socio-economic and educational standards in Indian societies, as well as acting as productive and useful citizens in their communities and our country.

WHY WE ASK:

Mr. Yates and Subcommittee members, one of the chronic excuses by the BIA in their not wanting to contract with AIS is in the area of "cost-efficiency"; however, you and I know the BIA has been the target of many reports including those by the GAO criticizing the BIA's high administrative costs. AIS' administrative cost rate has averaged 13% in the past, except for Academic Year 1980-81, which incurred an administrative cost rate of 20% because of spiralling inflation. Our surveys show that there are only 46 tribes administering scholarship programs, mostly on the undergraduate level, as opposed to the total number of federally recognized tribes which is close to 300. If the token $800,000 appropriated for FY81 for graduate student support were divided among all tribes, there would not be enough total for an individual tribe to give much assistance to even one of its members desirous of attending graduate school. It would lose national objectivity in favor of local politics.

It must be remembered that the American Indian Scholarships, Inc., Fellows are mature men and women who, for the main part, have family responsibilities. These individuals have sacrificed steady incomes in order to improve their worth to themselves and to the community at large. Such a sacrifice deserves the most scrupulous consideration on the part of the organizations attempting to financially assist them. American Indian Scholarships, Inc., is committed to this objective. For this reason, AIS, Inc., reiterates its request that Congress mandate the sum of $3,250,000 for the assistance of Indian men and women graduate students.

I will now be pleased to answer questions you may have.

STATEMENT OF ABBOTT SEKAQUAPTEWA, CHAIRMAN, THE HOPI TRIBAL COUNCIL, THE HOPI INDIAN TRIBE, ARIZONA

ACCOMPANIED BY:

RICHARD SPINING, ASSISTANT DIRECTOR, PROGRAM DEVELOPMENT, DEPARTMENT OF EDUCATION

CHARLENE LEGNER, HEALTH PLANNER

Ms. RICHARDSON. The next witness represents the Hopi Indian Tribe. Mr. Abbott Sekaquaptewa.

Mr. SEKAQUAPTEWA. Thank you very much. My name is Abbott Sekaquaptewa, chairman of the Hopi Tribal Council in Arizona. I have with me this afternoon, Mr. Richard Spining, who is the assistant director of our education department and Charlene Legner, who is a health planner for the Hopi Tribe.

I appreciate very much the time that's been allotted to us this afternoon to speak to two of our needs. One is a Hopi health center. The other one is the Hopi High School.

On July 8, 1980, Public Law 96–305 was enacted, the amendment to the Navajo-Hopi Settlement Act of 1974. This legislation gave the highest priority in the next fiscal year to the Hopi High School and the Hopi Medical Center. We have completed all of the educational program planning, and architectural and engineering designs have been completed. An appropriation of $5.7 million has been made to do the initial work. At the present time the Department of the Interior is soliciting bids. It's my understanding that there were no funds in the 1982 budget that had been submitted, to continue the construction of that high school. The tribe has been working on this project for 22 years, since April 1959, when the then-existing old Hopi High School was closed, despite our protestations, of the Hopi Tribal Council at that time.

The desire of the tribe to have a high school on reservation for young people——

Ms. RICHARDSON. How many students would be served by this school?

Mr. SEKAQUAPTEWA. Initially, it would be around 600 and probably within 4 years following that, we should have 1,000 according to our projections. At the present time a number of them have to commute 150 miles a day, every day, just to go to high school, and a large number have to go to boarding school out of street and down in Phoenix, which is about 300 miles away.

We've made various attempts to expedite the restoration of the school over the 22 years. We now have a higher priority to have a high school on the reservation because of other problems that have arisen with respect to having youngsters removed from their home and family environment at too early of an age, and we believe that after this length of time, we have another priority, that the continuation of construction funds should be included in the 1982 budget. We feel this is a right that Indians have, which is routinely taken for granted everywhere else in the country. At the present time, according to our projections, to complete the school would require a total of $22,383,288.

Ms. RICHARDSON. May that figure change once the design is completed?

Mr. SEKAQUAPTEWA. Mr. Spining, I think, can answer that.

Mr. SPINING. The design is complete. These figures that are based on our written testimony are based on construction beginning now. If the process continues, we anticipate no change in those figures.

Ms. RICHARDSON. Will there be dormitories at the school, or would it be a day school?

Mr. SPINING. A day school. The housing that is mentioned is for staff.

Mr. SEKAQUAPTEWA. That figure represents the school plant itself, and one phase of the housing which would be attached, plus the needed equipment for the school to begin operations.

Our other request is for the medical center. The needs have been established for the establishment of a medical center, because of the problems of accessibility, and the fact that there is no room for expansion at the present sites to serve the numbers of people that are served by the Indian Health Service Kings Canyon service. Over 50 percent of the people served by that hospital facility are members of the Navajo Tribe, and it is proposed that the relocation would be made more central to the reservation to meet that need.

Ms. RICHARDSON. Is that hospital on the priority list?

Mr. SEKAQUAPTEWA. It has the highest priority now, as established by Public Law 96–305. I have some figures here that Charlene, I think, can give you.

Ms. RICHARDSON. If you'd make it brief, please.

Ms. LEGNER. What we are requesting is that Congress appropriate approximately $3.2 million in fiscal year 1982 for engineering and architectural design of the Hopi Medical Center and of this, $800,000 would be appropriated in fiscal year 1982 supplement for the design of the acute care facility.

Ms. RICHARDSON. Congress does not appropriate for new construction projects as part of a supplemental. We use the supplemental for urgently needed items of continuing programs. It would have to wait until the 1982 bill.

Ms. LEGNER. We were hoping that this could enable Congress to fulfill the intent of Public Law 96–305, in terms of the fiscal year.

Ms. RICHARDSON. Could the planning and design be accomplished in the same year?

Ms. LEGNER. Yes; it would be a 1-year fast-track program for planning and design.

Ms. RICHARDSON. Thank you.

Do you have information on the hospital to submit for the record? This is all on the school.

Ms. LEGNER. There should have been three copies.

Ms. RICHARDSON. OK. Yes. thank you.

[The statement follows:]

Statements of the Hopi Tribal Council

My name is Abbott Sekaquaptewa. I am the Chairman of the Hopi Indian Tribal Council, Arizona. On July 8, 1980, Congress passed P.L. 96-305, Amendments to the Navajo-Hopi Settlement Act. This legislation mandated that the Department of Health and Human Services and the Department of the Interior assign the highest priority in the next fiscal year to the funding and construction of the Hopi Medical Center and the Hopi High School. Plans for this Medical Center were developed as part of the Tribal Specific Comprehensive Health Plan, which was approved two years ago. A Feasibility Study for the Center was approved by the Indian Health Service and by the Northern Arizona Health Systems Agency six months ago.

These documents identified the unmet needs of the Hopi people and the inadequacies of present facilities. There is a need to improve accessibility of health care. Sixty percent of Hopis and Navajos on our reservation live over 45 miles from emergency medical services. One cannot imagine the fear and insecurity caused by the need for some patients to travel 70 miles for health care. Construction of medical facilities at the center of the Reservation will make it possible for residents to be within minutes of emergency care. This will also facilitate providing routine care to patients who are discouraged by large distances and soaring costs of travel.

There is a need to expand facilities to meet growing demands. Inadequate laboratory space threatens hospital accreditation. Pediatric beds are closed in winter because the hospital cannot be adequately heated. Outreach services, such as community health nursing and mental health, have been moved out of the hospital in order to make room for needed examining rooms. The present facility violates the Life Safety Code on seven counts. And the Hospital cannot be expanded because of its location on a settling land fill in a crowded canyon.

There is a need for a realistic appropriation of resources. Allocations targeted for the Hopi population only are inadequate in view of utilization by neighboring Navajo communities. In the absence of alternative health facilities, Indians ignore I.H.S. boundaries and go to the Keams Canyon facility. In 1980, Navajo patients accounted for 1 out of every 2 outpatients, 2 out of every 3 admissions, and 4 out of every 5 newborns at the Keams Canyon Hospital. Recognizing this pattern of utilization, the Hopi Tribe, the Phoenix Area Indian Health Service, and the Northern Arizona Health Systems Agency have developed similar requirements for the Hopi Medical Center.

Finally, there is a need for comprehensive health services. The patient is reluctant to seek care, fearing that he will be transferred away from home if he is truly sick. Separation from family and community not only intensifies the patient's apprehension, but removes him to an alien culture, which prohibits effective diagnosis and communication and which condemns our elders to an early death. The I.H.S. physician, keenly aware of his own limitations, is reluctant to work in an environment devoid of surgical support and adequate nursing care. The minimum time from emergency room to operating room is three hours. The minimum distance from Reservation to nursing home is 250 miles. The Indian Health Service loses its credibility when critical needs in surgery, obstetrics, mental health, and alcoholic rehabilitation cannot be met on the Reservation.

The concepts presented in our Feasibility Study represent the basic requirements in comprehensive health services for a Reservation population. Our departure from antiquated planning methods has resulted in a well-balanced proposal to meet the health care needs of the area's residents.

The construction of a centrally located Medical Center would address the needs which we have identified. Upon completion, this Medical Center would contain approximately 150 beds with a total space requirement of 146,000 square feet. In addition to a hospital with surgical capabilities, nursing home, alcoholism rehabilitation unit and children's shelter, there is a requirement for housing and support services. We feel that these represent the minimum requirements to upgrade health care on the Reservation to a level comparable to that found in off-Reservation communities.

Our request for the Medical Center is for the following:

That Congress appropriate $3,228,000 in FY 1982 for the engineering and architectural design of the Hopi Medical Center.

That Congress appropriate $800,000 in FY 1982 Supplemental for the design of the acute care facility. This will enable Congress to fulfill the intent of P.L. 96-305.

That the record remain open for a reasonable period of time so that we may provide additional information as it becomes available.

I. INTRODUCTION

Mr. Chairman and members of the committee:

My name is Abbott Sekaquaptewa, Chairman, the Hopi Tribal Council, The Hopi Tribe.

I welcome the opportunity to appear before this committee to present testimony on behalf of the Hopi Tribal Council and the Hopi Tribe. The request contained in this testimony is to be directed to:

Division of Facilities Engineering
U.S. Department of the Interior
Bureau of Indian Affairs
P.O. Box 1248
Albuquerque, New Mexico 87103

Appropriation: Request for appropriation of $22,383,208.00 to continue construction of the Hopi Junior-Senior High School

The testimony which follows identifies the need for an appropriation to continue construction of the Hopi Junior-Senior High School Project, which is to be located on the Hopi Indian Reservation in Arizona. This project has gone through the phases of education program planning and engineering and architectural design. The Bureau of Indian Affairs is currently preparing to solicit bid's for phase I of the construction for which funds have been appropriated in FY 81. No funds, however were allocated to continue the project in FY 82. The point of the testimony is to tell why it is essential that this project be continued in order to meet a dire educational facility need of the Hopi Indian Tribe. It is requested that this statement be made a part of the record of these hearings.

II. STATEMENT

This statement details the Hopi Tribe's request for a partial appropriation sufficient to continue construction of the Hopi Junior-Senior High School in FY 1982, on the Hopi Indian Reservation in Arizona.

The Hopi Tribe has completed the educational program planning, architectural and engineering design and is beginning construction of this facility. The Hopi people through their participation in this process have reaffirmed their strong desire for the timely completion of the project. This effort stretches back over twenty two years; twenty two years, marked by alternating periods of hope, despair and angry frustration. It is important within the scope of this testimony to summarize the events since the Bureau of Indian Affairs, despite the active protest of the Hopi Tribal Council closed the Hopi High School in 1959.

-1959: Tribal Council passes resolution protesting closure of Hopi High School.

-1966: Proposal for Hopi High School feasibility study is not approved by BIA.

-1970: Referendum by Hopi people expresses strong desire for on-reservation high school facility.

-1971: High School Planning Committee is formed by Tribal Council to select site for the school.

-1972: Committee is informed by BIA that $34,000 is available for planning the facility.

-1974: 882 acres are provided to the Tribal Council by the Villages of First Mesa for the school.

-1975: Architectural firm engaged to prepare preliminary plans for the school. Tribe is authorized by the BIA to proceed with the selection of an architect.

-1976: Tribe is informed by BIA that the $238,000 budgeted for preparation of final construction documents will not be awarded because low priority of the project would result in no funding for actual construction until 1981-82 and plans would be obsolete by then.

-1977: Tribe is informed that BIA plans to reprogram the $238,000 allocated for the preparation of the final construction documents for the school. Tribal testimony before House Subcommittee on Elementary, Secondary and Vocational Education prevents this action.

-1978: Funding for preparation of final construction documents is transferred to the Hopi Tribe by the BIA. Architect is engaged to prepare the documents.

-1979: Hopi Tribal Chairman learns indirectly that school project has been dropped from sixth place to fourteenth place on BIA's construction priority list. Delegation representing the Hopi Tribe protests the change in priorities in testimony before the House and Senate Interior Appropriations Committees.

-1979: Final construction documents for the school are completed by the architect.

-1979: BIA informs the Tribe that it is now ranked number one in FY 1981 capital budget request; but that BIA's FY 1981 budget request will not include funding for the Hopi Junior-Senior High School.

-1980: Delegation representing the Hopi Tribe testifies before House and Senate Interior Appropriations Committees requesting construction funds for FY 81.

-1980: The Navajo and Hopi Indian Relocation Amendments Act of 1980 (P.L. 96-305) is passed mandating that "the Secretary of the Interior...shall assign the highest priority, in the next fiscal year after the date of enactment... to the funding and construction of the Hopi High School."

-1980: 5.7 million dollars are appropriated in the FY 81 budget to begin construction of the Hopi High School.

-1981: The Hopi Tribe learns, that again, without consultation, the FY 1982 budget has been submitted to Congress with no appropriations for the continued construction of the Hopi High School.

Mr. Chairman, we are deeply concerned that a delay would leave us vulnerable, as in the past, to changes in circumstance and policy. Inflation will certainly significantly raise the cost of the project and jeopardize our chances of building a quality facility. Yet, of even greater significance, Mr. Chairman, is the effect further delay will have on the Hopi people. We are not merely building a physical facility but developing an Education Program. A program which will have a tremendous impact on the future of the Hopi Tribe not only in Education but in the economic and cultural solidarity of the Hopi people. The denial of this facility in the past has forced Hopi people off the reservation to exercise their skills and provide decent education for their children.

The Success of the education program depends on the active, positive involvement of the Hopi people. This involvement is there, but sorely tested in the face of continued raising then dashing of hopes. Each year of delay represents increased disillusionment and frustration; one more year in which Hopi young people face long, dangerous and mind-dulling bus rides to high schools 60 to 80 miles distant. Worse still is the effect on the 400 Hopi high school students forced for one more year to attend Bureau of Indian Affairs Boarding schools; schools whose deteriorating academic and social environment are not only inadequate but dangerous to the emotional and physical well being of our young people. As inadequate as these options currently available to Hopi students are, even these are in jeopardy. In the past year one boarding facility (Stewart Indian School) available to Hopi students has been closed down, and plans for the eventual closing of a second (Winslow Border Town Dormitory) have been revealed.

We have appeared before this committee on this topic five times in the last six years. We believe that our arguments justifying the establishment of a Junior-Senior High School on the Hopi Indian Reservation have been heard and well received. Progress has been made. Our argument today is for the completion of what has been begun, as well, as quickly as is humanly possible. I urge you and your subcommittee to favorably consider this request.

III. SUPPORTING DATA

Data Supporting the request for $22,383,288 to continue construction of the Hopi Junior-Senior High School in FY 82.

A. Cost estimates for construction of the total project prepared by the A & E firm of Barnes, Landes, Goodman and Youngblood are:

*1.	Site preparation, access, sewage disposal, wells	4,996,222
2.	Junior-Senior High School	18,889,362
3.	Housing for staff (attached)	2,993,926
4.	Housing for staff (detached)	4,695,967
5.	Equipment	500,000
*6.	Construction supervision	703,778
	*appropriated in FY 81	
	Total cost of project	32,789,255

B. Partial appropriation request 22,383,288

The partial appropriation includes provision for component #2, Junior-Senior High School facility, component #3, Housing for staff (attached), and component #5, Equipment.

C. Rational for request

The partial funding request provides for indentifiable, completable components of the project which can be contracted for construction. A completed school facility with partial housing would allow a phase-in of the educational program over several years provided housing for a full staff would be available within two year. Equipment provided for is the type that must be installed as part of the construction process.

STATEMENT OF EDWARD FRENCH, ADVISORY CHAIRMAN, NATIONAL UNITED INDIAN ACTION TEAM

ACCOMPANIED BY:
DON PEPION, BLACKFOOT TRIBE
JOE CUDAHAN, NATION OF THE PUEBLOS

Ms. RICHARDSON. The next witnesses will be John Tiger and Don Pepion representing the Blackfeet Indian Action Team.

Mr. FRENCH. I'm Edward French. John Tiger, our national president, could not be here. I'm the advisory chairman of the national united Indian action program. On my left is Don Pepion of the Blackfeet Tribe. On my right is Joe Cudahan from the Nation of the Pueblos. You have our testimony there.

Ms. RICHARDSON. Yes, I do. Just highlight it, please.

Mr. FRENCH. We're asking for additional funds for the Indian action program. We're asking $5 million. We lost $3 million last year, as a cut that was transferred into housing programs in the Bureau. We're asking that that be restored to our budget.

Ms. RICHARDSON. Excuse me. I think the way it finally turned out, there was only $1.5 million lost.

Mr. FRENCH. We got $1.5 million at the agency now. Right. Anyway, this is what we're asking for. We're asking for $4 million for just inflationary costs.

That is in our testimony. We would like to state that this is a very good program for the tribes. It follows the concept of 638. We've had problems with the ITAC center at one time. We've got it all worked out. I don't know how many investigations they've had.

Our problem now is that the cuts that we're looking down the road at, they may try to do away with the center in Denver. It handles the

need of the Indian action program, and that's what it set up. We go through the areas and agencies, and we're looking for problems already.

Right now the tribes do have the choice to go through their agency or the center.

Ms. RICHARDSON. Do you know how many have chosen to go through the agency rather than the center?

Mr. FRENCH. Right now we have eight or nine who go through the agency. We have 100 contracts. The rest of those go through the center. The problem is getting money and getting it down to the tribes. This is what we worry about, if they do away with the center. So we're asking this commmittee to look at that real closely.

Do you gentlemen have anything?

Mr. PEPION. Madam Chairman, I think in our testimony, you will note one of the things we're saying is that 95 percent of the funding for Indian action programs is actually getting down at the reservation level. It's not eaten up in administration. That's one of the important points I think we're saying.

I would like to also point out in our testimony, that in the past some of the committees have had some questions about where is this money actually going? What kinds of activities in quantifiable terms, measurable terms? I think this year it outlines that question more clearly than ever, what the programs are doing with the funds, the types of products that they have established through this Indian action team program in different categories that are funded, the number of tribes that are involved in those categories, the funds expended in each one of those categories, and other measurable products.

I just wanted to point that out in our testimony.

Ms. RICHARDSON. Thank you. That would be welcomed. We have, indeed, wondered from time to time. Thank you very much.

[The statement follows:]

Statement of the National United Indian Action Team

The Following Testimony Will Consist Of:

"The Role and Definition of ITAC"
"The Functions of the Indian Action Programs"
"FY 80 Funding breakdown"

Please note that for FY 81 the Indian Action Programs in Planning and Construction were cut by 3 million dollars for their role in housing. Such a penalty was due to poor information delivered to Congress during last years appropriations Hearings.

The Tribes have established IAP's to fill needs not being met on the reservations by existing programs. The IAP's serve to enhance the social economic and environmental characters of the respectibe reservation communities.

The present ITAC budget is $19,527,000. Of this total allocation $18,560,000 or 95% of the total allocation is contracted directly to the tribes. We would like to challenge the bureau to match this 95% figure with any of their other programs.

In closing, Mr. Chairman, we are asking that this committee review the efforts of the Indian Technical Assistance Center in their attempt to comply with higher echeleons of management, in implementing systems which provide your committee with sufficient information to develop IAP accountability and effectiveness in your deliberations concerning allocation of funds.

The problem is very simply that for Indian Action Programs to continue to perform at the highest level of competence we are requesting that last years 3 million dollar cut be restored in the form of an add-on, along with 2 million additional dollars to help offset inflation, with additions to go to existing Indian Action Programs. We are requesting a total allocation for Indian Action Programs of $24,527,000.

Thank you for your kind and receptive attention.

INTRODUCTION

The Indian Action Program was established by the Bureau of Indian Affairs and is administered and operated by authorities as promulgated in the Snyder Act and Indian Self-Determination and Education Assistance Act (P.L. 93-638) to provide Indian Tribes and Alaska Native peoples with the resources and assistance necessary to develop their human and natural resources. This includes the development and implementation of various governmental management functions with which tribes can increase the level of professional competence and skills, improve the standard of living and provide cultural and economic opportunities through increased economic development among Indian people living on reservations and in Indian communities.

The Program is consistent with self-determination and encourages tribes to assume Bureau programs and redesign them based on tribal initiatives and priorities as expressed in Tribal Comprehensive Plans or similar planning documents.

The Indian Action Program has been in existence for eight (8) years, and provides funding, administration and technical assistance to some 100 Indian tribal contractors. The contractors in turn provide: 1) Tribal members with the necessary preparation in occupations facilitating construction and operation and maintenance of reservation facilities; 2) Assistance to Tribal governments in the administration and management of various reservation programs; 3) Provide Tribal members with satisfactory home and community conditions through resource development and personal enrichment by providing work opportunities through temporary employment experiences with the program; 4) Development of cultural and economic opportunities for both social and economic stability; and 6) Improvement of the physical environment - conservation management and utilization of reservation natural resources.

The Indian Technical Assistance Center (I.T.A.C.) administers the Indian Action Program and provides staff assistance to the Director, Office of Tribal Resources Development in operating the Indian Action Program. Specifically, ITAC provides guidance, technical assistance and resources to Indian Action Program contractors; administers the Indian Action Program in accordance with objectives and priorities of tribal governments; and administers programs and funds for other Federal agencies having interagency agreements with the Bureau.

Through the Bureau's organizational structure, ITAC has the operational responsibility of the Indian Action Program which is national in scope and administers 100 Indian Action Program contracts involving some 175 tribal governments. Approximately 95% of the annual appropriation is contracted directly to eligible tribes with the balance administratively supporting the Indian Technical Assistance Center including the ITAC staff of 26 full-time employees.

The goals of the Indian Technical Assistance Center (ITAC) are to provide technical assistance to tribal governments in conducting needs analysis, development of plans, establishment of priorities, development of programs, budgets, proposals and the negotiation and administration of contracts.

IMPACT NARRATIVE FY 1980

The Indian Action Program provides financial resources, administrative and programmatic support to tribes in their self-determining efforts to develop community and related economic projects with which they may improve the standard of living in Indian communities and increase the level of skills and professional competence among Indian people living on reservations. The Indian Action Program has been in existence for nine years. It assists some 100 Indian Action contracting tribes and tribal consortiums who in trun provide employment business development, management, planning and construction, on-the-job training and conservation and development of natural resources to approximately 175 federally recognized Indian Tribes and Alaskan Villages. The program develops capabilities of tribes to construct, operate, maintain, and manage reservation facilities, a factor which facilitates the Bureau's policy of supporting broad based economic development and to alleviate the problem of the limited availability of trained and skilled personnel in the Indian communities by generating employment opportunities, developing a productive work force, and stimulating tribal self-determination. The six categories of activities performed by the Indian Action Program are primarily complementary to Bureau and other Federal programs available to the tribe. Inter-agency coordination of these programs occurs within the tribal government structure and is a major thrust in the self-determination concept to provide Indian tribes with resources necessary to develop their human and economic resources through P.L. 93-638 contracting procedures. Budgets are determined at the tribe/agency level on the Bureau's location budgeting system which gives tribes the opportunity to set funding priorities among all Bureau

programs available to them. A summary of the program activities and accomplishments are provided as follows:

Under the activity "Planning and Construction" major types of projects initiated or completed this past year greatly enhance the social, economic and environmental characters of the respective reservation communities through renovation of substandard housing to acceptable standards, remodeling, a variety of new construction, including housing and community facilities, community center, recreational facilities, cultural centers, clinics, fire stations and multi-purpose facilities. The Indian Action Program in these categories includes seventy-five (75) contractors at a budget of approximately $8.67 million who built, repaired or renovated 1,146 housing units, constructed, repaired or maintained 4,672 miles of access roads and 422 community facilities.

The Indian Action Programs use the planning and construction activity to complement a variety of projects where resources from several agencies are coordinated to produce end products such as facilities, housing and roads. The Indian Action Program furnishes much of the skilled labor and equipment required to complete the projects and at the same time improve trades skills for the tribal members.

The role of "Training" in the Indian Action Program is to provide a competent staff by improving work skills that are employable in Indian communities. The objective of training is not to be an end of itself or to be involved in "make work" situations, but is to contribute to an end product or service that is a high priority of the tribe. The individuals in training will be involved in some classroom training and working directly on a project through on-the-job training which result in providing benefits to the community and improving employable skills while in a learning environment. In FY 1980 as a result of the Indian Action Program training efforts, 729 individuals were involved, 23 contractors participated in this activity at a cost of $5.3 million or an average cost per trainee of $7,262.

The "Employment" activity of the Indian Action Program in FY 1980 provides the tirbes with community service employment designed to prepare individuals for placement in permanent jobs and involves opportunities to learn basic work skills, gain work discipline, develop specific job experience and obtain public or private employment. This activity includes 25 contractors at a budget of $3.25 million which involved 312 individuals of 648, 960 man hours.

The "Business Development" activity of the Indian Action Programs during FY 1980 is a means of adding to the economic base of the reservations and of stimulating the economy. Many of the developing tribal businesses realized assistance from the Indian Action Program basically for start up costs and expansions. The 14 contractors participated in this activity at a cost of $1.34 million involving 18 number of businesses such as cabinet manufacturing tourism and recreation businesses, shopping centers, gas stations, grocery stores, construction companies and agricultural products.

The "Management" activities of the Indian Action Program is an effort that is necessary for the successful attainment of desired program and business objectives. The primary goal of the activity is to establish or improve management systems to allow tribal governments and enterprises to operate more efficiently and effectively. Eight (8) contractors participated in this activity at a

cost of $.29 million and established or improved seventeen (17) number of management systems as follows:

4	Financial Management
5	Property Management
3	Procurement Management
3	Personnel Management
2	Other

The "Conservation of Natural Resources" activity provides for the improvement of the physical environment by the promotion of projects which emphasize conservation, management, utilization, and development of reservation natural resources. The cost of this activity is $.89 million per fiscal year and is primarily concerned with tribal efforts to preserve resources such as land clearing, erosion control and reforestation. It is a new category developed for future use should tribes desire to develop their resources to stimulate the economic function. The following results were accomplished in FY 1980:

Activity	Cost	Man Hours
Land Clearing	$ 735,638	51,044
Fisheries	$ 7,165	497
Land Erosion Control	$ 13,200	915
Other	$ 135,289	9,350
TOTAL	$ 891,292	61,796

The following is a summary of costs and program elements reflected by the Fiscal Year 1980 Indian Action Program.

Program Element	Number of Indian Action Program Involved	Cost	Cost%
Planning & Construction	75	$ 8,671,340	44.0
Employment	25	$ 3,243,790	16.0
Business Development	15	$ 1,342,066	7.0
Management	8	$ 289,049	1.5
Training	23	$ 5,293,663	27.0
Conservation of Natural Resources	12	$ 891,292	4.5
TOTAL	*158	$19,731,200	100.0%

* Many IAP Tribal Contractors participated in more than one activity.

STATEMENT OF ROBERT FRANK, TRIBAL CHAIRMAN, WASHOE TRIBE OF NEVADA AND CALIFORNIA

ACCOMPANIED BY LAWRENCE ASTOR, TRIBAL CHAIRMAN, RENO-SPARKS INDIAN COLONY

Ms. RICHARDSON. The next witnesses represent the Washoe Tribe, Robert Frank and Lawrence Astor.

Mr. ASTOR. My name is Lawrence Astor, chairman of Reno-Sparks Indian Colony. Here with me today is Robert Frank, chairman of the Washoe Tribe of Nevada and California. Mr. Frank will be making the oral presentation.

Mr. FRANK. Thank you. During the testimony that was held here last year Mr. Astor and I, along with several other tribal chairmen presented testimony on what was known as the western Nevada health delivery system. There's a copy of that in the documentation which we've provided you. It has directed the Indian Health Service to report back this year on their recommendations on the implementation of the results of this western Nevada health delivery study.

We also have attached as part of our documentation, a copy of the area office recommendations on the implementation. The recommendations substantially support the health centers for two areas, Reno-Sparks, where Mr. Astor is from, and Carson City, which includes the Washoe areas.

To bring you up-to-date on how the study was done during the development of the tribal specific health plans. In western Nevada there are 14 tribes. Out of those 14 tribles, there are 11 tribal-specific health plans that were developed, and after we looked at the recommendations, we realized that Congress could never totally fund the whole request, so a request was made through IHS for assistance to develop a consolidated plan, which we then called the western Nevada health delivery system, and out of that a master plan that was developed, which recommended the implementation and phased approach. The approach would be to carry over approximately 6 years, starting, as a report from the Indian Health Service indicates, in 1983 a health center for Reno-Sparks and 1984 a health center for Carson City.

In meeting with our area director in the Phoenix area and the staff that worked closely with us in developing this plan, and their report to the headquarters, Dr. Johnson's office, they have both recommended and felt that the centers could perhaps be reached in 1982.

There's a budget in here which was developed by the Indian Health Service, which requests $8,643,000, which is the planning and construction of the two facilities. There's been much discussion here regarding the ranking of programs. The development of the national plan was done prior to the finalization of our master plan, so it is not included in the master plan for the Indian Health Service. It is our understanding that the Indian Health Service is going to come in with a revised ranking system.

Ms. RICHARDSON. They do that annually, yes.

Mr. FRANK. I think as tribes get involved in the ranking of a facility, it doesn't necessarily mean that that program or project is going to be completed or done. That's when some of the tribes like us get somewhat frustrated, because you work hard all through the process, identi-

fying and documenting our needs, and we get to the point where you get ranked, and then somehow things happen within the system, where you don't get the need met. So what we'd like to request the committee to do is direct the Indian Health Service to continue the implementation of the western Nevada health delivery system.

You heard Mr. Abbott from the Hopis. Our needs are as great as theirs. We feel they're greater, not to slight them in any way. But we would like to see the committee direct the Indian Health Service to consider the implementation of the western Nevada health delivery system.

The other concern we have is the lack of contract health dollars. Nevada is a complete contract health care State. It is our understanding, that recently hearings were held to expand the eligibility criteria for individuals who could access to the health care dollars, expanding the eligibility numbers of people, but there is no increase in the amount of dollars to meet that additional need.

Our area usually runs out of money around the first part of April for contract health care. After that it gets to be where we have to only go to a doctor on an emergency basis, and generally when a situation gets to an emergency basis, it costs a lot of money then, and those dollars just aren't available. So we'd like to have the committee carefully look at the available dollars for contract health service.

Ms. RICHARDSON. Would you recommend that the committee look at some way to decrease the size of the eligible population?

Mr. FRANK. Right. If you can do that——

[Laughter.]

Mr. FRANK. It would be great. But I don't think you could. Our concern is that there are more people becoming eligible for less service. And there's less dollars that are going into it. And once we run out of money, the Indian needs are not met.

Ms. RICHARDSON. Thank you very much.

Mr. FRANK. Thank you.

[The statement follows:]

Statement of the Tribes of Western Nevada

The Western Nevada Health Delivery Systems Study is the result of the Tribal Specific Health Planning process of which the fundamental conclusion was that health care delivery to the Indians of Western Nevada is largely unavailable, inaccessible and unacceptable for their total health care needs.

The basic deficiencies of the present system are:

. Most of the present health resources are concentrated at the Indian Health Service Schurz Hospital and Outpatient Department.
  - Most of the health resources available are concentrated at one location in the Service Unit. These resources therefore are realistically available to only six percent of the target population--those who live within a relative close distance to Schurz.
  - Geographic distance and infrequency of operation(for field clinics) renders services inaccessible to much of the population. The result is a severe under-utilization of health services by the target population.
  - Delivery of some services is sporadic, haphazard, and uncoordinated. Health maintenance and preventive health care are not emphasized. The result is a minimal impact upon the improvement of health within the target population.
  - The Service Unit population has a low regard for the quality of care at existing Indian Health Service facilities. The result is avoidance of the system by many eligible persons entirely or until need is critical.

. The relative isolation of the Indian Health Service Schurz facility has caused a high turnover of professional staff so that:
  - Recruitment of professional staff is difficult.
  - Continuity of health care suffers.
  - Quality of care is held suspect by the service population.
  - Facilities are inadequate to house the functions assigned to them.
  - The present location of the Service Unit makes it difficult to recruit and retain adequate professional staff. Further, the number of staff are insufficient to meet the direct health service needs of the people served.
    Quality of care suffers because staff become overextended.

. At the present time non-medical staff determine Contract Health Service expenditures.
  - The Study documents a net loss in Contract Health Service by some 23.8% - 32% because of an 87.6% increase in cost per day of inpatient care and an average increase of 53% in contract ambulatory care costs.
  - Budget limitations rather than health care needs tend to determine management decisions in regard to Contract Health Services.
  - Funds are depleted prior to the end of the fiscal year.
  - Administrative clearances for Contract Health Services hinders quick response in emergent situations.
  - Elective surgeries must go to Phoenix or San Francisco.
  - In July of 1978 the State of Nevada was defined as a Contract Health Service Area, thereby doubling the eligible Contract Health Service population without any corresponding increase in Contract Health Service funding.

The Stewart School Health Center in Stewart, Nevada provides outpatient services to students at the Stewart Indian School. In addition, it provides very limited services to the general community. The building is of wood frame construction and generally is not suitable as a full service ambulatory health center.

The Ft. McDermitt Health Center was opened in 1977 and services the Ft. McDermitt Reservation. The facility comprises approximately 2,500 gross square feet and includes sufficient space for outpatient medical and dental services. However there is no office space for field health services or a Tribal Health Department.

Monthly field clinics are held, if staff is available, at Lovelock, Dresslerville, Reno, and Pyramid Lake. Facilities at Pyramid Lake are inadequate for this purpose.

Various alternative health systems Schemes were developed with costs and benefits specified. These Schemes were subject to thorough scrutiny and discussion by the Tribes and the health planning consultants. The Final Scheme selected for further development toward the Master Plan was chosen based on the following rationale:

- It provides a system in which comprehensive health care services will be accessible to the great majority of Indian people in Western Nevada.
- It provides a highly visible and accessible entry point for Indian people into the health care system.
- It offers high potential for Tribal input and authority over the health care services.
- It facilitates the systematic assumption of Tribal responsibility to provide health care to Tribal members.
- Implementation (construction and design costs) and operating costs are the least expensive.
- It offers high potential for developing methods of cost savings in both the implementation and operation of the system.
- It offers a system more conducive to the recruiting and retention of professional and paraprofessional staff.

Master Plan

A system of ambulatory care centers serves as the main component by which health care will be delivered to the Indians of Western Nevada. The ambulatory care centers, their projected 1988 workloads and their facility needs are as follows:

	1988 OPVs[1]	Facility Needs
Fallon Health Center	8,486	14,809.5 GSF[2]
Pyramid Lake Health Center	6,822	14,824.5 GSF
Reno-Sparks Health Center	17,741	23,788.5 GSF
Carson City Health Center	19,046	20,428.5 GSF
Ft. McDermitt Health Center	5,990	Expansion/ 2310 GSF
Las Vegas Health Center	8,710	15,139.5 GSF
Schurz Health Station	4,646	Use existing Schurz facility
Moapa Health Station	1,350	Purchase trailer

[1] OPV= Outpatient Visits

[2] GSF= Gross Square Feet

Services to be provided at each ambulatory care center include:

- Primary medical outpatient care.
- Specialty clinics in Obstetrics/Gynecology, Internal Medicine, and Pediatrics.
- Dental care.
- Field Health Services in Health Education, Public Health Nursing, Mental Health, Social Services, Nutrition, and Environmental Health.
- Tribal Programs of Alcoholism Services and Tribal Outreach.

Ambulances and Emergency Medical Technician staff for Emergency Medical Services will be stationed at the Pyramid Lake, Ft. McDermitt, Schurz and Moapa facilities.

Field clinics, serviced by a primary care team, will also be held at Winnemucca (one day per week), Yomba (two days per month) and Lovelock (two days per month).

Although most services will be provided at each ambulatory care center, the level and scope of services provided will be commensurate with the service population's need. Services will be allocated and shared throughout the System.

All inpatient care will be provided through Contract Health Services to avoid excessive construction costs and maximize accessibility to inpatient specialty care.

The Service Unit Administration will be located at the Reno-Sparks Health Center if an adequate site can be obtained. If not, the Service Unit Administration will be located at the Carson City Health Center.

Facility programming was based on the development of three prototype facilities. The development of prototype facilities will decrease the cost of designing, engineering, constructing, equipping and operating the system. The Program Information Document (PID), contains information which specifies the space program requirements and functional considerations among spaces for each needed facility as specified in the Master Plan. Program planning and staffing assumptions are further specified for each department of each facility. Total costs, including architecture, engineering, equipment and construction costs, have been calculated for the year 1982. It is estimated that all of the above mentioned costs would triple by 1988.

A summary of the estimated cost for the System in Fiscal Year 1982 follows:

ESTIMATED COST OF SYSTEM FOR 1982

	Number	1982 Cost
Facilities Construction[1]	6.0	23,747,250.83
Purchase of Trailers	1.0	65,000.00
Staff Housing Costs	22.0	1,430,000.00
Operating Costs[2]		
Ambulatory	85.5[3]	2,934,360.00
Administration	46.0[3]	1,578,720.00
Field Health	67.0[3]	2,299,440.00
Tribal Programs	95.5[3]	3,277,560.00
Contract Health Services Costs	--	8,803,904.00
TOTAL		$44,136,234.83

[1]Five new facilities and one expansion.

[2]Personnel costs plus cost of operations.

[3]Full time equivalent staff.

The basic conclusion one must draw in view of these findings is that health services for the Indians of Western Nevada are in reality unavailable, inaccessible, and unacceptable. This situation violates the Congressionally mandated mission of Indian Health Service.

The current need in Western Nevada is to develop, via the systems approach, a realistic, complete, and integrated health care delivery system for the population within the entire geographic area.

Feasibility Study

The Indian population in Western Nevada is distributed among thirteen Reservations and Colonies:

- Fallon Colony and Reservation
- Ft. McDermitt Reservation
- Las Vegas Colony
- Lovelock Colony
- Moapa Reservation
- Pyramid Lake Reservation
- Reno-Sparks Colony
- Summit Lake Reservation
- Walker River Reservation
- Washoe Reservation
  - Carson City Colony
  - Dresslerville Colony
  - Woodfords Colony
- Winnemucca Reservation
- Yerington Colony and Campbell Ranch
- Yomba Reservation

In addition, there are major urban concentrations in the following areas:

- Las Vegas
- Reno-Sparks
- Carson City
- Winnemucca

A Feasibility Study was conducted to determine the most cost beneficial system of health care delivery to Western Nevada Indians. Tribal involvement was sought throughout this process in order to develop the most acceptable system possible.

The main Indian Health Service direct service facility is the Indian Health Schurz Hospital in Schurz, Nevada. The Hospital is located within the boundary of the Walker River Reservation. The Outpatient Department, with three physicians, is overcrowded. The outpatient utilization rate in fiscal year 1978 was 2.4 visits per person per year, compared to the Indian Health Service Phoenix Area average of 6.4 visits per person per year. The Dental Clinic, with two operatories, is located in a separate structure and is inadequate to provide the needed dental services to Western Nevada Indians.

The Hospital is a 19 bed facility that was built in 1936 and has been determined to be overcrowded and deteriorating. In spite of recent efforts to upgrade it, the facility is not accredited by the Joint Commission on the Accreditation of Hospitals. As a result the facility provides limited medical care. No surgical operations or procedures (including deliveries) are performed. These services are contracted out. Elective surgeries are sent to the Phoenix Indian Medical Center or the Public Health Service Hospital in San Francisco.

memorandum

February 4, 1981

Area Director - PA IHS
Thru: Acting Director, OPP&E

Western Nevada Health Delivery System

Director - IHS
Rm 5A-55 - Rockville

The Western Nevada Health Delivery System is the result of the Tribal Specific Health Planning process of which the fundamental conclusion was that health care delivery to the Indians of Western Nevada is largely unavailable, inaccessible and unacceptable for their total health care needs. The tribes included in this delivery system includes: Washoe Tribe of Nevada; Paiute Shoshone (Fallon); Reno-Sparks Colony, including Summit Lake; Lovelock Paiute; Yerington; Yomba; Ft. McDermitt; Moapa Band of Paiute; Las Vegas; Pyramid Lake Paiute; Walker River; Winnemucca Colony and Ft. McDermitt. The main IHS direct service facility is the hospital located in Schurz, Nevada. This hospital, built in 1936, is a 19 bed facility accredited by JCAH.

We have received and reviewed the Document Summary on the Western Nevada Health System Study (WNHDSS). The Phoenix Area approves and supports the Western Nevada Health Delivery System Study (WNHDSS), a phased implementation approach is recommended over a six year period from FY 1982 - 1987. Within this span of time, five new health centers would be constructed and renovations made to Ft. McDermitt. The total cost of this plan to fully implement a comprehensive health program was 264 positions and $14,079,025 for health services. Please see attached Implementation Plan for WNHDSS developed by the Phoenix Area Office and tribal leaders of the 13 tribes represented.

George Blue Spruce, Jr., D.D.S.
Assistant Surgeon General
Area Director

Capability Statement: Western Nevada Health System
Reno-Sparks Health Center

Agency/Bureau: Health Services Administration
Indian Health Service

Appropriation: Indian Health Facilities

Proposed Amendment: $4,440,000 - Health Center at Reno, Nevada

Current Program: The Western Nevada Health Delivery System is the result of the Tribal Specific Health Planning process, of which the fundamental conclusion was that health care delivery to the Indians of Western Nevada is largely unavailable, inaccessible and unacceptable for their total health care needs. The tribes included in this delivery system are: Washoe Tribe of Nevada; Paiute Shoshone (Fallon); Reno-Sparks Colony, including Summit Lake; Lovelock Paiute; Yerington; Yomba; Moapa Band of Paiute; Las Vegas; Pyramid Lake Paiute; Walker River; Winnemucca Colony and Ft. McDermitt. The only IHS direct service facility is the hospital located in Schurz, Nevada. This hospital, built in 1936, is a 19-bed facility not accredited by JCAH. There is no IHS health clinic at Carson City, Nevada.

Amount budgeted in Fiscal Year 1982: -0-

Feasibility: In the Western Nevada Health Delivery System Study (WNHDSS), a phased implementation approach is recommended over a six year period from FY 1982-1987. Within this span of time, five new health centers would be constructed and renovations made to Ft. McDermitt. Upon receipt of the WNHDSS at IHS Headquarters, the IHS health services and health facilities priority systems were applied to this plan for FY 1982-1987. Only two facilities, Carson City and Reno-Sparks, can be supported by the present priority system as new construction before FY 1987; i.e., Reno-Sparks - FY 1983, Carson City - FY 1984. A revised priority system is being developed. When this revised priority system is applied, these priorities may be altered.

The proposed Reno-Sparks, Nevada Indian Health Facility will provide medical care for an estimated 1988 population of 2,772 and support for 17,741 annual outpatient visits. The facility is to proposed to have 23,789 gross square feet.

Capability: The proposed funding of $4,440,000 will provide a health center. The inpatient needs will be provided on contract care. The proposed funding is composed of:

Planning	$ 195,224
Construction Phase I	1,822,487
Construction Phase II	1,822,487
Equipment	497,042
TOTAL	4,440,240

This funding data is based on a start date of March 1982 and a midpoint of construction in December 1983.

Outlay Effect: FY 1983 - $2,121,000 for Planning and Phase I Construction.

Capability Statement: Western Nevada Health System
Carson City Health Center

Agency/Bureau: Health Services Administration
Indian Health Service

Appropriation: Indian Health Facilities

Proposed Amendment: $4,196,000 - Health Center at Carson City, NV

Current Program: The Western Nevada Health Delivery System is the result of the Tribal Specific Health Planning process, of which the fundamental conclusion was that health care delivery to the Indians of Western Nevada is largely unavailable, inaccessible and unacceptable for their total health care needs. The tribes included in this delivery system are: Washoe Tribe of Nevada; Paiute Shoshone (Fallon); Reno-Sparks Colony, including Summit Lake; Lovelock Paiute; Yerington; Yomba; Moapa Band of Paiute; Las Vegas; Pyramid Lake Paiute; Walker River; Winnemucca Colony and Ft. McDermitt. The only IHS direct service facility is the hospital located in Schurz, Nevada. This hospital, built in 1936, is a 15-bed facility not accredited by JCAH. There is no IHS health clinic at Carson City, Nevada.

Amount budgeted in Fiscal Year 1982: -0-

Feasibility: In the Western Nevada Health Delivery System Study (WNHDSS), a phased implementation approach is recommended over a six year period from FY 1982-1987. Within this span of time, five new health centers would be constructed and renovations made to Ft. McDermitt. Upon receipt of the WNHDSS at IHS Headquarters, the IHS health services and health facilities priority systems were applied to this plan for FY 1982-1987. Only two facilities, Carson City and Reno-Sparks, can be supported by the present priority system as new construction before FY 1987; i.e., Reno-Sparks - FY 1983, Carson City - FY 1984. A revised priority system is being developed. When this revised priority system is applied, these priorities may be altered.

The proposed Carson City, Nevada Indian Health Facility will provide medical care for an estimated 1988 population of 2,976 and support for 19,046 annual outpatient visits. The facility is proposed to have 20,429 gross square feet.

Capability: The proposed funding of $4,196,000 will provide a health center. The inpatient needs will be provided on contract care. The proposed funding is composed of:

Planning	$ 281,835
Construction Phase I	1,722,327
Construction Phase II	1,722,327
Equipment	469,725
TOTAL	4,196,214

This funding data is based on a start date of March 1983 and a midpoint of construction in December 1984.

Outlay Effect: FY 1984 - $2,004,000 for Planning and Phase I Construction.

Agency/Bureau:	Health Services Administration Indian Health Service
Appropriation:	Indian Health Service
Activity:	Health Services
Proposed Amendment:	Increase of 264 positions and $14,079,025 to implement the Western Nevada Health Delivery System (WNHDSS) including 13 tribes.

Current Program: The Western Nevada Health Delivery System is the result of the Tribal Specific Health Planning process of which the fundamental conclusion was that health care delivery to the Indians of Western Nevada is largely unavailable, inaccessible and unacceptable for their total health care needs. The tribes included in this delivery system includes: Washoe Tribe of Nevada; Paiute Shoshone (Fallon); Reno-Sparks Colony, including Summit Lake; Lovelock Paiute; Yerington; Yomba; Ft. McDermitt; Moapa Band of Paiute; Las Vegas; Pyramid Lake Paiute; Walker River; Winnemucca Colony and Ft. McDermitt. The main IHS direct service facility is the hospital located in Schurz, Nevada. This hospital, built in 1936, is a 19 bed facility not accredited by JCAH.

Amount budgeted in FY 1982: 41 positions and $2,939,500 plus mandatories for Schurz Service Unit.

Feasibility: In the Western Nevada Health Delivery System Study (WNHDSS), a phased implementation approach is recommended over a six year period from FY 1982 - 1987. Within this span of time, five new health centers would be constructed and renovations made to Ft. McDermitt. The total cost of this plan to fully implement a comprehensive health program was 264 positions and $14,079,025 for health services. Please see attached Impelementation Plan for WNHDSS developed by the Phoenix Area Office and tribal leaders of the 13 tribes represented.

Upon receipt of the WNHDSS at IHS headquarters, the IHS health services and health facilities priority systems were applied to this plan for FY 1982 - 1987 and the following changes are recommended by IHS:

1) Only 2 facilities, Reno Sparks and Carson City, can be supported as new construction instead of the five as indicated in the WNHDSS. Based on the current facilities priority system, in FY 1983 construction funds may be requested for Reno Sparks and in the following year, FY 1984 for Carson City. The FY 1982 Indian Health Facilities budget to Congress will not include any new construction requests. But, if funds were appropriated, Reno Sparks would qualify in the present facilities priority system as new construction.

2) The resource requirements for Las Vegas, Fallon and Pyramid Lake were determined on a Total Contract basis.

3) In FY 1982, Schurz Hospital will be providing Ambulatory Care and Community Health Services only. All Inpatient care will be provided on a Total Contract basis.

4) All authorized positions will be distributed among the Schurz, Ft. McDermitt, Reno-Sparks and Carson City health facilities by FY 1987.

Capability: The IHS recommends a revision of the phased implementation plan (FY 1982 - 1987) for the Western Nevada Health Delivery System Study to be consistent with IHS health services and health facilities priority systems. Based on the existing IHS facilities construction priority system, only two, Carson City and Reno Sparks, of the five health centers requested for new construction can be supported to open for services prior to FY 1987. A revised facilities priority system will be applied in February, 1981 which may change this construction schedule.

The goal of the Indian Health Service in equity funding is to reduce the overall deficiency of all tribes to 60 percent by FY 1985. This will provide comparability with the overall IHS average as of FY 1980 of approximately 60.0 percent deficient. In FY 1981 the overall deficiencies of the 52 tribes in Level V of the Health Services Priority System were reduced to 80 percent. Utilizing an incremental approach by fiscal year for 1982, 1983 and 1984, an additional 7 percent reduction in 1982, 6 percent reduction in 1983 and the final 7 percent reduction in 1984 are required to accomplish the 60 percent overall deficiency goal. The remaining three fiscal years were approached on a five percent incremental reduction in deficiencies. The following by fiscal year is recommended for funding for health services: (See Attachment A for a further distribution by service area and tribe.)

	Percent Deficient	Additional EHCF Resources Required for WNHDSS Amount
FY 1982	73%	$ 725,800
FY 1983	67%	1,333,600
FY 1984	60%	581,600
FY 1985	55%	337,800
FY 1986	50%	609,600
FY 1987	45%	793,100
TOTAL - WNHDSS		$4,381,500

Outlay Effect:

FY 1982 -	$ 580,640

Attachment A

Distribution of Additional Resources Required for the WNHDSS

(FY 1982 $ in 000's)

Service Area/Tribe	Total EHCF FY 1982-1987 $	Additional Resources Required by Fiscal Year: FY 1982 1/ EHCF $	Add'l. to 73% $	FY 1983 to 67% $	FY 1984 to 60% $	FY 1985 to 55% $	FY 1986 to 50% $	FY 1987 to 45% $
Ft. McDermitt Hlth. Sta. Ft. McDermitt Winnemucca	198.5	--	--	--	58.1	46.8	46.8	46.8
Carson City Hlth Ctr 2/ Washoe	1,079.7	--	246.3	428.6	222.7	--	38.5	143.6
Fallon* Fallon Yerington Lovelock Yomba	587.3	92.0	--	170.1	103.5	73.9	73.9	73.9
Reno Sparks Hlth Ctr 2/	1,081.0	21.0	--	368.0	--	76.2	307.9	307.9
Pyramid Lake*	515.5	15.0	91.3	154.8	81.0	57.8	57.8	57.8
Las Vegas* Las Vegas Moapa	596.2	--	18.5 (16.4) (2.1)	212.1	116.3	83.1	83.1	83.1
Schurz Hosp/Hlth Ctr Walker River	323.3	--	241.7	--	--	--	1.6	80.0
TOTAL SCHURZ SU	$4,381.5	$128.0	$597.8	$1,333.6	$581.6	$337.8	$609.6	$793.1

* All resource requirements were determined on a Total Contract basis.

1/ Six tribes in the Schurz SU are included in the FY 1982 OMB Allowance of $8,198,000 Equity Health Care Fund.

2/ Carson City service area resource requirements for FY 1982, 1983 and 1984 were determined on a Total Contract basis until 1985 when a full time health center is constructed and opened for services. Reno Sparks service area resource requirements for FY 1982 and 1983 were determined on a total contract basis until 1984 when the Reno Sparks Health Center is opened for services.

Attachment B-1
Distribution of Resources Required and Available for the
WNHOSS for FY 1982 ($ in 000's)

Service Area/Tribe	Resource Requirements FY 82					Total Resources Available FY 82		Total Unmet Need FY 82	Percent Deficiency FY 82	FY 1982	
	Staffing		Contract Health Care	Total Resources Requirements						EMCF	Additional EMCF to 73%
	Pos.	Amount $	Amount $	Pos.	Amount $	Pos.	Amount $	Amount $	%	$	$
Ft. McDermitt H Sta.	9.0	225.0	286.5	9.0	511.5	1.0	191.6	319.9	62.5	--	--
Ft. McDermitt					(489.0)		(182.8)	(306.2)			
Winnemucca					(22.5)		(88.8)	(13.7)			
Carson City	--	--	2,301.8	--	2,301.8	--	375.2	1,926.6	83.7	--	246.3
Washoe											
Fallon	--	--	1,097.9	--	1,097.9	--	225.9	872.0	79.4	92.0	--
Fallon					(552.2)		(113.0)	(439.2)		(63.0)	
Yerington					(291.0)		(59.3)	(231.7)		(15.0)	
Lovelock					(146.0)		(30.6)	(115.4)		(7.0)	
Yomba					(108.7)		(23.0)	(85.7)		(7.0)	
Reno Sparks	--	--	2,150.1	--	2,150.1	--	583.9	1,566.2	72.8	21.0	--
Pyramid Lake	--	--	840.5	--	840.5	--	120.6	719.9	85.7	15.0	91.3
Las Vegas	--	--	1,245.7	--	1,245.7	--	317.8	927.9	74.5	--	18.5
Las Vegas					(1,106.2)		(281.4)	(824.8)			(16.4)
Moapa					(139.5)		(36.4)	(103.1)			(2.1)
Schurz Hosp.	190.0	4,750.0	310.1	190.0	5,060.1	40.0	1,124.5	3,935.6	77.8	--	241.7
Walker River											
Total Schurz SU	199.0	$4,975.0	$8,232.6	199.0	$13,207.6	41.0	$2,939.5	$10,268.1	77.7	$128.0	$597.8

Attachment B-2
Distribution of Resources Required and Available for the
WNHDSS for FY 1983 ($ in 000's)

Service Area/Tribe	Resource Requirements FY 83					Total Resources 1/ Available FY 83		Total Unmet Need FY 83	Percent Deficiency FY 83	FY 1983 EHCF to 67%
	Staffing		Contract Health Care	Total Resources Requirements						
	Pos.	Amount $	Amount $	Pos.	Amount $	Pos.	Amount $	Amount $	%	Amount $
Ft. McDermitt Hlth Sta	9.0	225.0	711.8	9.0	936.8	11.0	441.6	495.2	52.9	--
Ft. McDermitt					(895.6)		(421.8)	(473.8)		
Winnemucca					(41.2)		(19.8)	(21.4)		
Carson City	--	--	3,182.0	--	3,182.0	--	621.5	2,560.5	80.5	428.6
Washoe										
Fallon	--	--	1,478.7	--	1,478.7	--	317.9	1,160.8	78.5	170.1
Fallon					(743.8)		(176.0)	(567.8)		(85.6)
Yerington					(391.9)		(74.3)	(317.6)		(45.1)
Lovelock					(196.7)		(37.6)	(159.1)		(22.6)
Yomba					(146.4)		(30.0)	(116.4)		(16.8)
Reno Sparks	--	--	2,948.2	--	2,948.2	--	604.9	2,343.3	79.5	368.0
Pyramid Lake	--	--	1,156.7	--	1,156.7	--	226.9	929.8	80.4	154.8
Las Vegas	--	--	1,661.7	--	1,661.7	--	336.3	1,325.4	79.8	212.1
Las Vegas					(1,475.6)		(297.8)	(1,177.8)		(188.3)
Moapa					(186.1)		(38.5)	(147.6)		(23.8)
Schurz Hlth. Ctr.	35.0	675.0	660.6	35.0	1,535.6	30.0	1,116.2	419.4	27.3	--
Walker River										
Total Schurz SU	44.0	$1,100.0	$11,799.7	44.0	$12,899.7	41.0	$3,665.3	$9,234.4	71.6	$1,333.6

1/ Includes $128,000 from 1982 EHCF.

Attachment B-3
Distribution of Resources Required and Available for the
WNHDSS for FY 1984 ($ in 000's)

Service Area/Tribe	Resource Requirements FY 84					Total Resources Available FY 84		Total Unmet Need FY 84	Percent Deficiency FY 84	FY 1984 EHCF to 60%
	Staffing		Contract Health Care	Total Resources Requirements						
	Pos.	Amount $	Amount $	Pos.	Amount $	Pos.	Amount $	Amount $	%	Amount $
Ft. McDermitt Hlth Sta.	9.0	225.0	711.8	9.0	936.8	6.0	316.6	620.2	66.2	58.1
Ft. McDermitt					(895.6)		(302.3)	(593.3)		(55.5)
Winnemucca					(41.2)		(14.3)	(26.9)		(2.6)
Carson City	--	--	3,182.0	--	3,182.0	--	1,050.1	2,131.9	67.0	222.7
Washoe										
Fallon	--	--	1,478.7	--	1,478.7	--	488.0	990.7	67.0	103.5
Fallon					(743.8)		(261.6)	(482.2)		(52.1)
Yerrington					(391.9)		(119.4)	(272.5)		(27.4)
Lovelock					(196.7)		(60.2)	(136.5)		(13.8)
Yomba					(146.3)		(46.8)	(99.5)		(10.2)
Reno Sparks Hlth Ctr.	57.0	1,425.0	1,684.2	57.0	3,109.2	14.0	1,322.9	1,786.2	57.5	--
Pyramid Lake	--	--	1,156.7	--	1,156.7	--	381.7	775.0	67.0	81.0
Las Vegas	--	--	1,661.7	--	1,661.7	--	548.4	1,113.3	67.0	116.3
Las Vegas					(1,475.6)		(486.1)	(988.6)		(103.3)
Moapa					(186.1)		(62.3)	(124.7)		(13.0)
Schurz Hlth. Ctr.	35.0	875.0	660.6	35.0	1,535.6	21.0	891.2	644.4	42.0	--
Walker River										
Total Schurz SU	101.0	$2,525.0	$10,535.7	101.0	$13,060.7	41.0	$4,998.9	$8,061.8	61.7	$581.6

Attachment B-4
Distribution of Resources Required and Available for the
WNHDSS for FY 1985, FY 1986 & FY 1987

Service Area/Tribe	Resource Requirements FY 85 Staffing Pos.	Staffing Amount $	Contract Health Care Amount $	Total Resources Requirements Pos.	Total Resources Requirements Amount $	Total Resources Available FY 85 Pos.	Total Resources Available FY 85 Amount $	Total Unmet Need FY 85 Amount $	Percent Deficiency FY 85 %	FY 1985 EHCF to 55% $	FY 1986 1/ EHCF to 50% $	FY 1987 1/ EHCF to 45% $
Ft. McDermitt Hlth Sta	9.0	225.0	711.8	9.0	936.8	6.0	374.7	562.1	60.0	46.8	46.8	46.8
Ft. McDermitt					(895.6)		(357.8)	(537.8)		(44.7)	(44.7)	(44.7)
Winnemucca					(41.2)		(16.9)	(24.3)		(2.1)	(2.1)	(2.1)
Carson City Hlth Ctr.	43.0	1,075.0	1,797.7	43.0	2,872.7	5.0	1,397.8	1,474.9	51.3	--	38.5	143.6
Washoe												
Fallon	--	--	1,478.7	--	1,478.7	--	591.5	887.2	60.0	73.9	73.9	73.9
Fallon					(743.8)		(313.7)	(430.1)		(37.2)	(37.2)	(37.2)
Yerington					(391.9)		(146.8)	(245.1)		(19.6)	(19.6)	(19.6)
Lovelock					(196.7)		(74.0)	(122.7)		(9.8)	(9.8)	(9.8)
Yomba					(146.3)		(57.0)	(89.3)		(7.3)	(7.3)	(7.3)
Reno Sparks Hlth Ctr.	57.0	1,425.0	1,684.2	57.0	3,109.2	14.0	1,322.9	1,786.3	57.5	76.2	307.9	307.9
Pyramid Lake	--	--	1,156.7	--	1,156.7	--	462.7	694.0	60.0	57.8	57.8	57.8
Las Vegas	--	--	1,661.7	--	1,661.7	--	664.7	997.0	60.0	83.1	83.1	83.1
Las Vegas					(1,475.6)		(589.4)	(886.2)		(73.8)	(73.8)	(73.8)
Moapa					(186.1)		(75.3)	(110.8)		(9.3)	(9.3)	(9.3)
Schurz Hlth Ctr.	35.0	875.0	660.6	35.0	1,535.6	16.0	766.2	769.4	50.1	--	1.6	80.0
Walker River												
Total Schurz SU	144.0	$3,600.0	$9,151.4	144.0	$12,751.4	41.0	$5,580.5	$7,170.9	56.2	$337.8	$609.6	$793.1

1/ FY 1986 & 1987 reflect the assumption that the previous years requested funds were made available. The resource requirements remain the same for FY 1985 - 1987.

STATEMENT OF JERRY MILLETT, CHAIRMAN, DUCKWATER SHOSHONE TRIBE

ACCOMPANIED BY MR. DEASY

Mr. MILLETT. Thank you. I'm Jerry Millet, Chairman of the Duckwater Shoshone Tribe. We're scheduled to give the tribal testimony and also the School Board of Duckwater has asked us——

Ms. RICHARDSON. I'll give you a couple more minutes on the timer.

Mr. MILLETT. The Duckwater Tribe is located in the middle of the designated deployment area for the MX missile. The plans of the U.S. Air Force places the Duckwater Tribe in a unique situation, which we feel merits immediate attention from the Congress. In the past year since the size of the MX became apparent to us, we've asked this committee and the Military Appropriation Committee for assistance. We've also approached the Departments, the Air Force, the Department of the Interior, and other Federal agencies. In each instance, we've been referred elsewhere. There's no assistance forthcoming for the Duckwater Tribe, yet this massive project moves forward without regard for the trust and the well-being of the people in Duckwater, the need to produce more hay for our cattle. And the location of MX raises the Duckwater situation from a problemmatic to to a critical position.

We're requesting this committee to include $2.5 million in the fiscal year 1982 appropriations for the Bureau of Indian Affairs for an agricultural improvement program for the Duckwater Tribe.

Because of the large amounts of water required by the MX missile, we need immediate action to assist us in the preservation and development of our water resources. Because of this, we're requesting the committee to expend up to $1 million in the planning and design of a reservoir which would supply the Duckwater Reservation.

Ms. RICHARDSON. Do you have any idea what the total cost of that project would be?

Mr. MILLETT. Of the reservoir? Not at this time.

Ms. RICHARDSON. Any guesstimate? $50 million, $100 million?

Mr. DEASY. That would be design and construction for an earthern reservoir.

Ms. RICHARDSON. I misunderstood.

Mr. MILLETT. To date, the Duckwater Tribe has not been provided the assistance to be an active, full and equal participant in the MX planning process. We're requesting this committee to direct the Bureau of Indian Affairs to make available to us and other deployment area tribes, those sums which are reasonably identified and mutually agreed upon.

The final concern we wish to bring to the attention of this committee is the Indian action program. We at Duckwater believe the Indian action program is one of the most beneficial Bureau programs available. We request this committee to direct the Bureau to increase the Indian action program budget, at least in the Nevada agency, to $1 million in the next fiscal year. This would allow the tribes in eastern Nevada to annually and equally operate a reasonable Indian action program.

Mr. DEASY. Could I elaborate a little bit on the MX problem? Last year this committee in the committee report directed the Bureau to protect the trust resources of the tribes in the proposed deployment area.

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We've had minimal assistance at the Bureau. We've talked with the BIA. We've been referred elsewhere from agency to area central office, or else the BIA response has been one that this project is an Air Force project. Go talk to the Air Force or Defense, or else. The project is far beyond the resources of the BIA, and there's nothing that we can reasonably do, we, BIA, do.

The project has posed great problems on the Duckwater community. There are missile clusters which completely surround the reservation. In fact, 1 year ago, there was a missile cluster to be on the reservation. It's a problem which has taken up a tremendous amount of Duckwater's resources. The Air Force environmental impact statement indicates that Duckwater will be adversely impacted and perhaps decreased.

Ms. RICHARDSON. I don't know whether you ever testified before this subcommittee when Senator Stevens was chairing the public witness hearings, but he's been an active member of the Interior Subcommittee. He's now chairman of the Defense Subcommittee. Are you planning to testify before the Defense Subcommittee?

Mr. DEASY. We intend to contact the Defense Subcommittee also. As far as plans to testify before them, we do not know at this point. But the problem we're running into, is that the Air Force is trampling on Indian rights which are expressly held in trust, and there is nobody protecting those rights at this point. The Air Force will not listen to Indians. They will not deal on a Government-to-Government relationship. And Interior says the project is an Air Force project. We'd like, at minimum, at least the same language in the committee report this year that was contained in the committee report last year, directing the Bureau to properly exercise its trust responsibility in the whole development of the MX missile system.

Ms. RICHARDSON. I think it might be helpful, if you could try to get, not the same language, but reflecting the same problem in the defense area. The Air Force would listen to what was in the Defense report, while they might not pay too much attention to what's in the Interior report.

Mr. DEASY. We hope the BIA would pay attention to Interior.

Ms. RICHARDSON. We all do.

Mr. DEASY. At this point, can we go from tribal testimony into the school?

Ms. RICHARDSON. Yes, you may.

Mr. DEASY. The testimony of the Duckwater Shoshone School Board guards the Indian school equalization program which is mandated by Public Law 95–561. The program, as it's presently drafted, will result in the closure of not only the Duckwater School, but we think many other small, locally controlled tribally operated schools. We've raised this issue throughout the development of the formula in the task force stage and also with the House Oversight Committees.

The formula does not realistically address the cost to operate small tribally controlled schools which are providing quality education to reservation children. We have suggested that the formula be looked at and revised to provide a base funding for contract schools and a per capita distribution beyond the base funding. The contract schools, we feel, merit a completely separate category within the regulations in the

formula at this point. If something does not happen with the formula in the next 12 months, the Duckwater School is anticipating that it will be closed. There will be insufficient moneys to operate the Duckwater School from base operating moneys.

Ms. RICHARDSON. As I recall, that formula was developed by regulation. The requirement to develop the formula was in the law, but the formula was a result of regulation.

Mr. DEASY. Correct. It's a statutorily mandated formula, which the BIA had the duty by regulation to develop the formula.

Ms. RICHARDSON. Do you know if there are any plans under way to have amendments to those regulations?

Mr. DEASY. There are no plans at this point, however, all of the plans in the Labor and Education Committee in the House, and the testimony of BIA before the Labor and Education Committee indicated that there would be, that the formula would need "minor refinements." Minor refinements will not help.

Ms. RICHARDSON. And it would be all right if they initiate the minor refinements?

Mr. DEASY. We would like this committee, when the BIA testifies, to put some questions to the BIA regarding the abilities of small contract schools to continue to operate.

Ms. RICHARDSON. We'll do that.

Mr. DEASY. At this point, the Duckwater School Board testimony is in two sections. One is a very lengthy backup paper with an analysis of the formula and Public Law 95–561. We would like at least the testimony itself, which is only three pages, included in the record.

Ms. RICHARDSON. It will be included in the record.

Mr. DEASY. It will be up to the committee to include the backup analysis.

Ms. RICHARDSON. Thank you very much.

[The statement follows:]

Statements of the Duckwater Shoshone Tribe

Mr. Chairman. Thank you for providing us with the opportunity to appear before the Appropriations Subcommittee for Interior and Related Agencies.

My name is Jerry Millett. I am the Chairman of the Tribal Council of the Duckwater Shoshone Tribe. We are a small federally recognized Tribe, organized pursuant to the Indian Reorganization Act of 1934. The Duckwater Reservation is located in the rural, high range country of central/eastern Nevada. The economic base of the Tribe and its members is small cattle ranching and agriculture related endeavors. In the arid southwest, water and its delivery systems are crucial to livelihood. This is true on the Duckwater Reservation.

We are located in the midst of the designated deployment area for the proposed MX missile system. This system has been characterized as the largest construction undertaking in the history of mankind. The plans of the United States Air Force places the Duckwater Tribe in a unique situation which merits immediate assistance from the Congress. A review of the Draft Environmental Impact Statement supporting the MX system makes us feel very desperate. The statements in the DEIS concerning our water have lead us to the conclusion that the MX in the proposed land based deployment mode will not merely change our lives but could potentially destroy the Duckwater Shoshone Tribe and the Duckwater Reservation. The study has found that the Duckwater Reservation would face water shortage during construction. The study further found the water impact on the Duckwater Reservation would be significant and that "long term significant impacts" would occur if the underlying structure of springs and shallow wells were disrupted. The study fails to analyze if the underlying structure will be disturbed. We point this out to this Committee because approximatley 40 springs, wells and other water sources are held in trust by the United States of America for Duckwater, either on the Reservation or on the land immediately adjacent to the Duckwater Reservation.

The Draft Environmental Impact Statement further shows that there could or will be long term and significant impacts in any discipline you wish to choose. Populations would increase dramatically at Duckwater and other reservations in Nevada and Utah. "Housing, water, schools and social services, already taxed or inadequate, would be significantly impacted." The D.E.I.S. continues, "Crowding would stress social and cultural relations." and "post construction problems would contribute further problems to Indian life." In the area of cultural resources, the proposed deployment area contains many known Indian ancestral and sacred sites. The D.E.I.S. addresses these sites by stating, "Impacts to ancestral/sacred sites during the operations phase and beyond are associated with increased recreation use, vandalism and illegial excavation. "And it further states "Long term effects for the majority of the valleys, are predicted to be more intense than short term effects, due to the non renewable nature of the resource." In the area of economics the project will impact our ability to graze. The clusters are to be located on the quality grazing land, the valley land. In the past year, since the magnitude of the MX became apparent to us, we have approached this Committee and Military Appropriations committees for assistance. We have also approached the Defense Department, the Air Force, the Interior Department and other federal agencies. In each instance we have been referred elsewhere. From the Air Force we are told "Indians are Interior's jurisdiction." From Interior we are informed that the MX is an Air Force project. The end result is the same. Indians are falling in the cracks, no assistance is forthcoming and the project moves foreward in derogation of the trust and our well being.

The economic base of the Duckwater Shoshone Tribe is cattle ranching. Our members cattle operations are small. The MX proposal will further restrict our economic base. Essential to our livelihood is growing alfalfa to use as a winter feed. Due to the terrian and soil conditions of our land, our alfalfa production is far below contemporary production standards and extremely demanding of our meager water resources. The MX proposal raises our alfalfa production situation from a problematic to critical position. We need to develop an immediate capacity for increasing our crop prod-

uction, due to the decrease in available feed from the MX system. Production could be increased if we could level our tillable land and improve the soil conditions with scientific fertilizing techniques. The land leveling will cost $2,000,000 or $2,000 per tillable acre. Scientific fertilizing to offset the high alkaline content of our soil will cost $500,000. We request the Committee to include $2,500,000 in the FY'82 appropriation of the Bureau of Indian Affairs for an agriculture improvement program for the Duckwater Reservation.

Water is scarce, precious, and necessary in our area of Nevada. The Air Force speculates there is sufficient water to meet the substantial demands of the MX during both the construction and deployment phases. We have a small stream on the Duckwater Reservation which is barely adequate for our needs. The Air Force anticipates starting construction early in 1982. We need immediate action to assist us in the preservation and development of our water resource. We are requesting this Committee to expand up to $1000,000 in the planning and design of a reservoir which will supply the Duckwater Reservation. We think such a reservoir could be constructed either on or near the northeast portion of the reservation which would provide for the substantial collection of winter run off. Additionally, as a result of the MX plans, the various springs and wells held in trust by the United States of America for Duckwater would require substantial improvement as a result of the impacts on our water resources delineated in the D.E.I.S.

As shown in the D.E.I.S. there will be substantial increases in the psychological and physiological problems from the presence of the Air Force and the MX. In order to allow us to adequately identify and address these anticipated problems, we are requesting this Committee to include $250,000 in the budget of the Indian Health Service for the Duckwater Shoshone Tribe. This sum would be for psycho/social planning those areas under the programatic jurisdiction of the I.H.S.

As stated earlier, Indians have fallen in the cracks throughout the MX planning process. In order for us to be full, active and equal participant in the MX planning process, we estimate it will cost the Tribe between $75,000 and $100,000 for the remainder of this fiscal year. In fiscal year "82 we anticipate the planning costs for Duckwater and the other deployment area tribes will be substantially in excess of $250,000. We request this Committee to direct the Bureau to make available to us those sums which are reasonably identified and mutually agreed upon by the Bureau and deployment area tribes.

Our final concern to bring to the attention of the Committee regards the Indian Action Program. The Duckwater Tribe is one of five tribes under the administrative jurisdiction of the Eastern Nevada Agency which, due to minimal funding of I.A.P., must rotate this program. This means that we have an I.A.P. on year, another tribe the next and so forth. We think the I.A.P. is one of the most beneficial Bureau programs available. The present situation does not allow for the sound management and planning which is attendant to continuing programs. In order to alleciate this problem, we are requesting this Committee to direct the Bureau to increase the I.A.P. budget of the Eastern Nevada Agency to $1,000,000 in FY'82. This sum would allow all tribes in Eastern Nevada to annually and equally operate a reasonable I.A.P. program.

Thank you.

Mr. Chairman and members of the Appropriations Subcommittee for Interior and Related Agencies, thank you for inviting my Tribe to offer testimony. My name is Jerry Millett. I am the Chairman of the Tribal Council of the Duckwater Shoshone Tribe. I am also a member of the Duckwater Shoshone School Board. In order for the Board and the Tribal Council to conserve our limited resources, the Board designated me to deliver the Board's testimony today.

The Duckwater Reservation is located in the high range country of central-eastern Nevada. It is a small, rural, isolated, agrarian community. The on reservation membership of the Tribe is approximately 150. The total tribal membership is approximately 265.

In 1973, in response to a community defined need, the Duckwater Shoshone Tribe established the Duckwater Shoshone Elementary School, under the control and direction of the Duckwater Shoshone School Board. The school provides educational services to the Duckwater children from pre-school through grade 8. The K-8 student population is 24. The total student population is 30. The emphasis of the school has been to develop survival skills in the areas of reading, mathematics and language arts. The instructional program has resulted in student gains in grade levels in these basic skill areas which exceed national norms. (Based upon analysis of pre and post California Achievement Tests.) However, the importance of the Duckwater Shoshone Elementary School is far beyond these academic achievements. In every sense the Duckwater Shoshone Elementary School is a tribally controlled community school. The school is the focal point of the community.

The Duckwater Shoshone Elementary School is a contract school. As a result, it comes within the purview of the Indian School Equalization Formula mandated by P.L. 95-561. Section 1128 (a) of P.L. 95-561. directs the Secretary of the Interior to establish a "formula for determining the minimum annual amount of funds necessary to sustain each Bureau or contract school." The allotment formula, which we understand to be an interim measure, if left to stand in its present form, will force the closure of the Duckwater Shoshone Elementary School. This result is a frustration of the policy wisely established by Congress to "facilitate Indian control of Indian affairs in all matters relating to Indian education." (P.L. 95-561, Section 1130).

In order for us to sustain the delivery of educational services at the Duckwater Shoshone Elementary School, we have combined as operating funds the allocation from the P.L. 95-561 formula and a grant from the Office of Indian Education. Title IV OIE grants are not secure and, in most cases are not intended to provide basic operating funds. We understand there are several other Indian Controlled contract schools in the same circumstances. A loss of Title IV funds coupled with the unrealistic allotments under the Indian School Equalization Program will cause their closure also.

We do not think it is the intention of this Committee, nor was it the intention of the Labor and Education Committee or the Congress to have such a drastic effect on Indian controlled contract schools. Our school is not only important to our Tribe but more importantly it is the future of our children. We believe quality education is a very important step upward if we, at Duckwater, are to achieve our ultimate goal of self sufficiency. Since our tribally controlled elementary school started we have not had a single high school drop out. This speaks well for Indian controlled education.

The Duckwater Shoshone School Board and the Duckwater Tribal Council are requesting this Committee to direct the Bureau of Indian Affairs to modify this purportly interim formula so that a base allocation is provided to each tribally controlled contract school which assures the continued operation of that school. We recognize that this directive will require substantial modification of the Indian School Equalization Program. Bureau representatives and consultants have testified before committees of Congress that the present formula needs "simply a revision" or "only fine tuning once we find out how it works in operation." We dispute this assessment, and we are disappointed in that the Bureau has not seen fit to meet with the Duckwater Tribe or other Tribes regarding the effects the present formula will have on a small school such as the Duckwater

Shoshone Elementary School. Any formula which will force the closing of an operation as successful as ours needs more than "fine tuning." The FY'81 formula allocation for the basic operation of the Duckwater Shoshone Elementary School is insufficient to cover instructional personnel costs.

The Indian School Equalization Program makes an assumption that all classes of schools have the same needs and problems. We maintain this assumtion is false. We suggest it is necessary to make distinctions of the classes of schools under the jurisdiction of the B.I.A. in order to develop an equitable formula. Areas for distinction exists in schools under the jurisdiction of the Bureau; Bureau operated schools; former Bureau schools operated under a contract; dormitory schools, both Bureau operated and contract; and, contract schools developed in response to a tribal, community need. Another fundamental distinction can be made pertaining to all small schools under the Bureau's jurisdiction. We think distinctions of this nature must be made in order to devise an adequate funding mechanism. Once the distinctions are made we think a formula can be developed which is needs based and considers the actual and reasonable costs of school operation. The distinction will allow the formula to consider the type and scope of service offered, the need for those services and the reasonable cost of those services. We propose a formula which encompasses a class of small, community based tribally operated schools and sets a reasonable minimum operating figure for that class and then distributes the remaining funds in an equitable manner.

For the Committee's information, I am including a background paper prepared for the Duckwater Shoshone School Board in the Spring of 1980. In our opinion, this analysis of the P.L. 95-561, and the Indian School Equalization Program is still applicable and the immediacy of the small contract school problems merits its thoughtful consideration.

Thank you.

Analysis of Public Law 95-561 and the Indian School Equalization Program

I. Problem Statement

The "Indian School Equilization Formula," developed under the direction of the Bureau of Indian Affairs in response to the Congress onal mandates articulated in P.L. 95-561, the Education Amendments of 1978, is ill-conceived and will result both in closing some schools and in creating or maintaining inequities in the provision of educational services to Indian children within the Bureau of Indian Affairs system. By adherence to the formula as currently promulgated, Bureau of Indian Affairs operated schools will have an advantage over tribally operated schools, large schools will have an advantage over small, urban schools will fare better than rural, large group instruction is encouraged to the exclusion of individualization, and programs which address specialized needs (e.g., vocational education) receive little, if any, support. Furthermore, there is serious question regarding the adequacy of the "base amount" identified as necessary for providing a "minimal level of services." The potential closure of schools underscores such inadequacy.

II. Historical Context

While this is not intended to be nor is an accurate statement of the legislative history of the formula, it is important to exphasize certain pressures which influenced its development. For many years preceeding the development of the formula, tribal groups repeatedly criticized the BIA for ineffective management of educational services provided Indian children. One area stressed to the Appropriations Committee was the Bureau's unequal allocation of fiscal resources, not only among the schools which it operated but also among contracted programs. In addition to

this criticism generated by tribal groups, the BIA's management of educational programs was criticized in numerous evaluation reports submitted to Congress by the Comptroller General.

In the Education Amendments of 1978, P.L. 95-561, Congress utilized a legislative vehicle for revision of the Bureau's operation of educational programs. Title XI of the Act delineated an outline for a comprehensive reorganization of BIA educational functions. The Indian School Equilization Formula was one of the reform thrusts.

Of importance to recognize is the fact that while tribal groups have historically criticized the BIA's operation and administration of education programs, the remedies which Congress has chosen to hopefully correct Bureau inequities are, in fact, ultimetely turned to the advantage of the BIA and the detriment of tribal self-determination.

III. Conceptual Overview

A. Values effecting public educational policy.

Three widely held values which have historically influenced public educational policy are equity, efficiency, and liberty (local control). While as abstract goals they gain general support by American society, operationalizing such values is problematic. The issue of equity in education provides an example. By equal educational opportunity, do we mean equal availability of services, or services to each according to need (compensatory education), or equal educational outcome (competency)? Does the current equalization formula distribute scarce resources on an equal basis, or does it address actual need and cost of providing a minimum level of services on a site-specific basis? If equity is defined as providing compensatory services to special need groups in order to equalize opportunity, then a formula must address the differentiated costs associated

with the provision of such services. A formula that results in an equal distribution of limited resources is antithetical to recognition of special needs. It would probably be wise to ask the BIA to make explicit what they see the formula as doing. The Act addresses the establishment and support of an educational system which is organized to meet the "minimum academic standards for the basic education of Indian children." How does the formula aid in achieving this goal?

The salience of contextualizing these values for an analysis of the equalization program is that they are relied upon for a legitimation function, but when operationalized through the formula, have definite political and policy implications.

B. Formula Funding.

The allocation of financial resources throughout an educational system in accordance with a distribution formula is a sound idea. Title XII, Part A, "Equalization," of P.L. 95-561, emphasizes the national policy of equalization of resources for elementary and secondary education among schools, and encourages the development of systems which achieve equalization.

An equalization formula which is based on basic student units and a system of weightings of classes of pupils is a viable approach. However, it is not without its limitations. If a weighting plan for need equalization is to be equitable, it is necessary to have accurate data concerning the program costs for special categories of students relative to the program costs for normal elementary students in order to generate an accurate ratio of costs for establishing a specific weight. While this is a sound approach, it is difficult to do because there does not yet exist an agreed-upon technology for educating each category of stu-

dent. Consequently, it is difficult to agree upon the extra cost involved. It is also important that a weighting plan consider the existence of price differentials arising from geographic or demographic differences among schools. It simply costs more in different geographic areas to provide the same "standard" of service.

C. School Finance Reform Trends.

Current trends in school finance reform, while partially concerned with taxation issues, are relevant to the Indian School Equalization Formula. Four major trends are apparent. First, much effort is being devoted to the development of a technology which can identify a basic unit of analysis to be utilized as a minimum standard upon which to base any weighting for classes of students or cost differentials. Secondly, many school systems have financing plans which involve weighting. To achieve equity, weights are assigned to or consider many classes of pupils (e.g., handicapped, bilingual, culturally disadvantaged), many classes of programs (e.g., vocational education), size differences, sparcity, cost differentials and pupil-teacher ratios. Thirdly, several states have recently, through statute, directly connected the state school financing plan to established state educational standards. Lastly, many school systems have recognized the need for uniform accounting procedures in order to gain basic cost data, both on a comparative basis among schools/programs, and on a longitudinal basis with individual schools/programs.

IV. Indian School Equalization Formula

A. General

The current Indian School Equalization Program does not satisfy the intent of the Act nor does it meet the specific requirements of the Act.

Section 1128(2) requires the "development of the minimum annual amount of funds necessary to sustain each Bureau or contract school." If forced to operate under the limitations of the present formula, some schools will close, the Duckwater Shoshone Elementary School being one.

Section 1128 also requires the consideration of a variety of special factors in the development of the formula. While the formula does address (although inadequately) several factors, other critical factors are not considered. By not considering factors such as sparcity, the need for special staffing or educational programs, overhead costs for administering contracted programs, or cost differentials, the formula does discriminate against schools for which these factors are significant. As a class, contract schools are penalized by the formula as they are affected by such factors.

Section 1130 articulates the federal policy of Indian control of Indian affairs. Facilitating local control involves recognizing and addressing local needs and priorities. The current formula is not needs-based. The Bureau does not currently have accurate, reliable data concerning specific school sites. It is doubtful, therefore, that the current formula, by allocating resources irrespective of need, is either supportive or facilitative of local control.

B. Design Limitations

1) The dollar amount determined as representing the per pupil cost for providing a minimum standard of services is $1819. What evidence can the BIA marshall to defend or justify this determination? If some schools would be forced to close under the formula, how can the Bureau defend the amount as adequate to sustain "basic services"?

2) Weightings

a) Size consideration. Section 31h.14 provides for special entitlements be given to small schools. However, the calculations used to determine the additional weight to be given small schools does not appear to be adequate to meet the actual costs associated with small school operation. In the situation of the Duckwater Shoshone Elementary School, the increase calculated pursuant to Section 31h.14 amounts to approximately 20%. On a comparative basis, this adjustment is much smaller than adjustments included in, for example, the state financing plans of Alaska or New Mexico. New Mexico, a state which does have many small schools, has a formula which would generate 100% more per child for a school district the size of Duckwater than for a district of average size (400). If the Bureau's formula is based upon contemporary school finance experience, why is there such a discrepancy in the amount of adjustment for small schools?

b) Sparcity. No consideration is given to the effects of isolation on the cost of school operation. The State of Alaska has, for years, acknowledged sparcity as a legitimate excess cost factor. The developers of the Bureau's formula claim to have relied on state school finance experience -- especially, the Alaska plan. Why, then, is sparcity not included as a factor in the present formula as some schools are adversely affected by geographic isolation?

c) Differential Costs. In addition to the handicap imposed by isolation, costs are also influenced by differentials in the "market basket" cost of goods and services. The formula does provide an add-on weight of .25 to meet salary cost differences for Alaska schools but does not acknowledge the same need in other school locations. While there should be no question regarding the legitimacy of such a consideration for the needs of schools located in

such a unique state as Alaska, one questions both the adequacy of the amount of the add-on weight.

d) Program design. The formula only recognizes two program services as requiring weighting: Intense bilingual and Exceptional Child programs. However, no consideration is given to other recognized special programs, such as vocational programs. This omission dramatically affects schools with large vocational programs like Intermountain. This omission is significant, not just because it places a severe handicap on schools trying to provide vocational programs, but also because substantial research exists upon which to base at least a rudimentary weighting system. Florida, a state regarded as a leader in financing plans based upon the weighted student unit, has recognized the additional costs associated with vocational programs and has a differentiated weighting system for various types of vocational services, providing per pupil increases ranging from 17% to 326%.

e) Overhead costs for the operation of contract schools. There exist at least two distinct categories of schools funded pursuant to the formula: Bureau operated and contracted programs. Bureau operated schools can utilize a whole gamut of federal resources (e.g; the services of contracting officers, solicitors, auditors), whereas contract schools, by virtue alone of the adversarial nature of the contractual relationship, must themselves provide for these services. Thus the overhead costs associated with operating contract schools are significant and cannot be absorbed by other segments of the federal bureaucracy as in the case of a Bureau operated school. The Bureau has assumed that such costs will be covered by funds resulting from application of a negotiated indirect cost rate allowed under P.L. 93-638, the "Indian Self Determination and Educational Assistance Act," which is the authority for tribal

contracting for educational services. This is a faulty assumption because it is rare that a tribe is able to negotiate a rate which actually covers all administrative costs. The situation of a small school is exacerbated by the fact that in comparison with the costs of direct instructional services, administrative costs, while not great in terms of absolute dollars, could result in a rate as high as 100%.

The problem is extended by the fact that most BIA schools are "established" whereas contract schools are still in various stages of development as formal organizations or institutions.

3) Relationship to Educational Standards (draft) and Personnel Standards (25CFR Part 31g)

a) Educational Standards. Section 1121(b) of the Act requires the development of "minimum academic standards for the basic education of Indian children." While they are still in draft form, the establishment of educational standards will have a direct impact on school operation. The standards are quite comprehensive and specific regarding the scope and design of BIA operated and contracted educational services. For example, Section 2.9.2. requires that, to be "recognized as a special Vocational-Technical high school (as Intermountain), such schools shall offer no less than five distinct programs." If, then, this is a requirement based upon meeting a minimum standard, why does the formula not address the costs associated with providing such required services? Based upon even a cursory review, there appears to be no articulation between the formula and the standards. The State of South Carolina, for example, has by statute tied its state school financing plan directly to established standards. Why has not the BIA considered this? Admittedly, the standards are still in draft form, but what evidence exists that the BIA can and will eventually correlate the two?

b) Educational Personnel. Standards concerning educational personnel employed in BIA programs were adopted and published in November, 1979. The regulations establish wage scales and minimum qualifications, both directly impacting costs; however, no consideration of the effect of these standards is apparent in the formula. This again suggests that the formula is, at best, ill-conceived.

c) Implementation limitations.

i. Data. The data upon which the Bureau has based the development of the formula is spurious. The Bureau has not had an adequate system for either measuring or defining specific services, or for accounting for educational expenditures. This opinion is supported by both GAO reports and BIA admission. Furthermore, any data that the Bureau has been able to marshall, even if it can be manipulated in such a manner as to provide an indication of expenditure, could only be seen as a distribution of available resources, with little indication of need or reasonableness of cost.

ii. Management Information System. In Section 1132 of the Act, the BIA is directed to establish a computerized management information system which hopefully is to correct the aforementioned inadequacies with the Bureau's data base. Such a system is not yet operational and it is doubtful if it will be on line for some time yet. It is further flawed by the inappropriateness of its design and data collection methods. It is probably reasonable to assume that the accuracy of BIA generated data will be highly questionable in the immediate future.

iii. Assumptions regarding formal and informal BIA operational procedures. In failing to consider the formal and informal structures which exist in organizations which are to be subjected to "planned change," the actual reasons for success or failure of such a plan are lost.

Even considering that there were no mechanical problems with the formula (which, of course, is not the case), numerous Bureau formal and informal operational variables exist which jeopardize the viability of the formula -- at least, for all classes of schools funded through the Bureau. For example, no recognition is given in the formula to the role of the BIA Contracting Officers and their staffs, while contract schools must directly negotiate with that office under the provisions of P.L. 93-638. There currently exists in the Bureau a power struggle involving Contracting Officers and Area Directors (BIA) and Area Education Assistant Directors (BIA). Contracting Officers rarely have knowledge of education services, either with regard to programatic features or appropriate accounting methods. Yet this Bureau office is the one which "negotiates" legitimate costs constituting an acceptable indirect cost rate. This is the same cost rate from which the formula developers would have us assume that all reasonable and appropriate administrative costs are to be supported.

Another problematic situation involves the organizational controls which the Bureau can use to the detriment of contract schools. By restricting the time allowed for decision-making and by not authorizing funds until well into the contract period, the Bureau has forced the contract schools to make expenditures in a stop-gap and somewhat haphazard manner. This results in expenditure patterns which do not represent a response to need but rather a response to limitations on resources.

V. Anticipated BIA Responses

Four domains of potential BIA responses to questions regarding the formula are:

A. "Planning Stage."

An oft-repeated response is that the Bureau is currently working on the specific problem and/or that the problem will be addressed in next year's revision. This response might be palatable were it not that schools will close under the formula.

The response also assumes that the planning model (if any) utilized by the Bureau is adequate or that it would be followed. The BIA system would appear extremely vulnerable to attack for the inadequacy of its information management system.

B. "Based Upon Current Knowledge."

Another response might be for the BIA representatives to rely upon the "power of professionalism" as legitimation and assert that the formula is based on contemporary practice and research in educational finance. This is questionable. Contemporary theory and practice grants consideration to a large variety of differential cost categories and yet the BIA-generated formula omits such consideration.

C. "Data Indicates"

Problems with the Bureau's data base and information management system have already been indicated. Any data cited should be examined rigorously, and none should be assumed to represent an accurate statement of need.

D. "Participation of Field Representatives."

In an attempt to indicate general concensus among the schools with the formula, the Bureau will probably stress the fact that the formula was developed with field participation. The Duckwater Shoshone School Board has provided both written and verbal commentary on the formula concept and its draft forms, yet, many of their issues and concerns have gone unanswered.

VI. Recommendations

While it is one matter to illustrate the limitations of a particular program, it is yet another to suggest viable alternatives to that program. The complexity and importance of the fundamental issue which the formula is proported to address -- the effective and appropriate education of Indian children -- deserves a patient, studied response, an impossibility given the current time and resource limitations. Consequently, the following recommendations represent either stop-gap measures directed at neutralizing the probably harm which the formula will cause, or measures which would aid in the improvement of the formula funding approach. These recommendations are:

A. Assure that schools will not close as the direct result of the formula not generating sufficient funds for continued operation. This could be possible either by requiring the Bureau to make such guarantees or by the Committee providing a specific appropriation for a language in the bill that would assure adequate funding to those schools facing potential closure.

B. Force the BIA to make as explicit as possible the assumptions upon which the present formula is based, the limitations which the formula does have, and the specific actions that the Bureau intends to take to revise the Indian School Equalization Program. While this may not result in determining that the Bureau will act in a prescribed manner, it would be helpful in providing the Committee with an awareness of the political nature of the supposedly "objective and neutral" funding formula.

C. In the revision of the formula, something that the Bureau has already acknowledged as necessary, consideration must be made for both special need categories and areas

evidencing cost differentials. At minimum, this should include realistic weighting recognizing factors such as: sparcity, size, differentiated costs, organizational structure, types of programs (e.g., vocational education), and overhead costs.

STATEMENT OF FELICIA HODGE, EXECUTIVE DIRECTOR, NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

Ms. RICHARDSON. The next witness will represent the Northwest Portland Area Indian Health Board.

Ms. HODGE. Good afternoon, I'm Felicia Hodge, the executive director of the Northwest Portland Area Indian Health Board.

Today we have two areas of concern we'd like to bring to your attention.

One, of course, is the 1982 budget. The other is the scope of responsibility of the Indian Health Service. We feel that in the pieces of legislation that the Indian Health Service's mission has become clear.

As you look at our written testimony, you will see that we have it sectioned off into various categories. One is the service population. We feel that the Indian Health Service is unsure of who the service population is. Right now there's four different definitions of an Indian. We feel that the Indian Health Service's responsibility is being diluted with pieces of legislation like the recently proposed amendments, including the non-Indian wives and members of the household, and to a service population.

Ms. RICHARDSON. The non-Indian wives have been included for some time. These have been challenged by non-Indian husbands.

Ms. HODGE. This has also been challenged by other members of the household. We're not sure what constitutes the household.

Ms. RICHARDSON. Stepchildren, and others.

Ms. HODGE. It could be friends, also.

We're suggesting that if the Indian Health Service eligibility population is going to be expanded, that it also be given the funds available right now, because we don't have an Indian hospital in the northwest. We are totally under contract health services, and we need a contract for our services. So we're very concerned that this new population group—we frankly don't know how the Indian Health Service has made this move without doing a feasibility study and without knowing for sure what impact the service population is going to have. We estimate, by talking to our service unit directors and through some of our tribal members, that this is going to increase our service population from 30 to 50 percent.

Ms. RICHARDSON. Just in your area alone?

Ms. HODGE. Just in our area alone. Right now we have over 100,000 Indians in Indian Health Services. The Indian service population, just Indian, is 54,000.

I've talked with Dr. Johnson this morning. He's told me that they also had no idea what this new service population is going to be. And

talking with Jimmy Mitchell, he has stated that they're unable right now to identify the new service population because of the way we keep our statistics. But we are very concerned over that.

We are suggesting that in defining an Indian—that in our northwest area, that this responsibility be given to the tribes. There are 34 federally recognized tribes. To be able to define who is a member of the tribe and define who is an eligible population, in that way we wouldn't have to define who is an Indian and have a problem with four different definitions.

Ms. RICHARDSON. Would the tribes be willing to take on the challenges by individuals as to whether or not they'd be deemed eligible for services? You'd be taking over the Indian Health Service burden in that area.

Ms. HODGE. I think the Indian Health Service has taken over the responsibility from the tribes of defining who is an Indian. I think that should be kept with the tribes. Right now the tribes are defining part of the eligibility as who is a member and who is associated or economically tied to the reservation for contract health services, so they're already doing that.

But we have real concerns and feel perhaps the Indian Health Service has turned into the Public Health Service, it's mission is unclear, that our Indian population is not receiving the health services it needs.

Many of our tribes have come to our health board with suggestions for innovative approaches for delivery of health care: For instance, purchasing into an HMO group, being able to expand the dollars, purchasing insurance: we cannot do that.

We're told that we legally cannot purchase insurance with Indian Health Service money. But there's very little monitoring that goes on as to what services we actually purchase and whether or not the services are provided.

Ms. RICHARDSON. Maybe you could have.

Ms. HODGE. Maybe we could have.

Our tribes are willing to try different approaches to provide health services to their people.

We also have a problem. Money going to the State NIAAA and local agencies for Indians are not being fully realized once they come down to the tribes. They take administrative costs out, the Indian Health Service either doesn't provide the services or the services are duplicated.

We would like to suggest that the responsibility of the Indian Health Service is strengthened and that these funds be appropriated, given to the Indian Health Service for the care of Indian people and not have them funneled down through State programs.

Historically, in the past, they have not worked that closely with our tribes. We are used to working with the Indian Health Service, and I'll give you an example of that. The States of Washington and Idaho have begun, 3 years ago, a pilot program called the improved child health program. The tribes up around the Lummi area and the northern Idaho tribes from Couer d'Alene, Kootenai, have the highest infant death rate in the Nation.

So, we need Federal money to get a pilot program. That program is going to end this fiscal year. There have been no plans. They haven't

been picked up by Indian Health Service. They're going to lose their service corps personnel there. Everything that they have accomplished to date is just going to go down the drain.

When the State took over that program, there was no coordination with the Indian Health Service. They, of course, took a large proportion off for opening costs. We lost money that could have gone down to the consumers themselves. And we feel that programs such as these would have been more viable and most cost effective had they been channeled through the Indian Health Service.

Of course, on the budget we feel just all areas have been cut. And, of course, this year, with President Reagan's change in the budget, we had a real difficult time trying to figure out what actually was going to happen. Although then there are categories we have cut, such as mental health, alcoholism, health recruitment. We would like to have Congress take a stronger look at the cuts and make sure the services do, indeed, reach the Indian patients.

Ms. RICHARDSON. Thank you.

Ms. HODGE. Thank you.

[The statement follows:]

Statement of the Northwest Portland Area Indian Health Board

The Northwest Portland Area Indian Health Board appreciates this opportunity to testify before this Subcommittee on the Fiscal Year 1982 appropriations for the Indian Health Service. This testimony addresses not only specific items contained in the proposed budget submitted by the President, but it also raises larger concerns regarding the overall scope of responsibility of the IHS in its administration of federal trust responsibility for the provision of health services to our first Americans, the American Indians.

MISSION HAS BECOME UNCLEAR: It has been the Indian understanding that the IHS has the primary responsibility for the provision of health services to American Indians. If so, then we request the attention of the Congress to the fact that this responsibility is becoming unclear and diluted, and is further exacerbated by various pieces of recent legislation and by administration policy. This is illustrated in the following examples:

Service Population: The population eligible for services by the IHS has become a potpourri. Several factors have played an important role in this problem. First, the definition of who is an Indian is at best confusing. The administration has made several attempts to define an "Indian" which has resulted in a myriad of definitions depending on the legislation or policy one reviews. This issue is of great importance and must be clarified if we are to retain the IHS as the agency responsible for the health care of Indian people, as we desire. Second, it seems that the IHS has developed into a Public Health Service in that services have been expanded to include non-Indians, thus reducing the resources available to our needy Indian population. The recent proposed rules expanding services to the non-Indian spouse and members of an Indian household will severely decrease the funds and health care services to the Indian patients, who through original legislation and many treaties, are the only legitimate service population. Third, another recent legislative action now require our Indian population to seek alternative resources other than the IHS, if available. This forces Indian people to undergo the confusion and humiliation of applying for welfare and other state and federal health programs, fostering welfare dependency among our young Indian people and resulting in many Indian people not receiving needed health care.

Recommendations: We respectfully request your attention to the above problems and recommend that, (1) the IHS be identified as the primary provider and be given the full authority and clear responsibility for all health services to the American Indian population, and (2) the concept of Indian self-determination be exercized by allowing our tribes the right to define who is Indian and a member of their respective tribes and (3) given limited resources, the IHS population be limited to the Indian population as identified by our respective tribes, keeping IHS truly a service for Indian health care, and (4) given adequate funding, all enrolled federally recognized tribal members be eligible for Contract Health Services which are not contingent upon alternate resource availability. We wish to eliminate the requirement that Indian patients seek alternate resources and urge you to consider the savings realized if a proportional amount of funds were tapped from Medicare, Medicaid and NIAAA and transferred to the IHS for provision of health care to Indian people. This would eliminate the cost of the myriad of paperwork involved in seeking these alternate funds, while improving access to health care for the Indian population. We do not wish to encourage welfare dependency in our young people. Instead, we wish to retain for them the rights bought for us at great sacrifice by our forefathers.

Inconsistencies with Indian Self-Determination: P.L. 93-638 was intended to allow our tribes to become more self-determined and to be active participants in the planning and actual provision of health services to Indians. However, we find present policies and budgetary restrictions inconsistent with the concept. Tribes have a difficult time, when and if the opportunity arises, in actively planning and participating in the IHS budget preparation and analysis. The FY 1982 budget is difficult to interpret and has received no input from our Northwest tribes. Tribal management of IHS programs through the P.L. 93-638 process has been hampered by limited technical assistance and lack of adequate funds to support the direct cost rates necessary to administer the programs. Tribes are being forced to relinquish the federal/tribal relationship and seek grants and services from state and local agencies. In many cases, the money available from these agencies is federal money. Although there is an expressed intention to deliver services to our population through these state and local programs, the result of channeling federal health funds through the states is that administrative costs take a large bite from the limited health dollars before they ever reach the tribes.

Further, we are alarmed that our states are becoming restrictive in their programs. For example, the state of Washington has recently initiated an increase for the Medicaid co-payment from $200 to $1,000. This makes it difficult for the IHS to budget the funds to allow for these additional costs. Another example is the Improved Child Health Program developed via pass-through funds through the states of Washington and Idaho. These programs are not being refunded. (See Appendix C.)

Recommendations: Tribal Specific Health Plans, developed by all federally-recognized tribes in the United States, form the basis for tribal initiatives, priorities, and plans towards the improvement in the delivery of health care services to American Indians. The strength of these plans is that they are formed under the concept of Indian self-determination. Should these plans be fully funded, the result would be a guaranteed level of health services which would meet our Indian population's health care needs. All plans and budgets initiated by tribes and by the IHS should proceed utilizing the Tribal Specific Health Plans. It is

of great importance that the IHS exercise and carry out the intent of the TSHP's and uphold their responsibility in responding to and addressing the health care needs as determined by our tribes.

It is further recommended that federal funds be made available to cover the indirect costs authorized for tribal contracts, so we may indeed fulfill the intent of self-determination. Also, the IHS budget needs to be reconstructed in a more "common sense" approach so tribes may provide input and participate in the development of the budget.

There is also a great need for freedom of choice by our tribes to use IHS dollars to pursue innovative and cost-effective approaches to providing health care services to our people. Currently, we do not have the authority to purchase private health insurance with regular IHS appropriations. Given this avenue, we feel that some tribes, particularly those in isolated areas without IHS clinics and hospitals, could realize a cost-savings in addition to increasing benefits.

F.Y. 1982 INDIAN HEALTH SERVICE BUDGET: With these thoughts in mind, we would now like to turn to an analysis of the FY 1982 IHS budget. This is a very tight budget which, if funded at the level recommended by the Office of Management and Budget, will result in service cutbacks and severe hardships to Northwest Indians.

Mandatory Cost-of-Living Increases: As in FY 1981, inflation is taking its toll on Indian health programs. In almost every line item of the budget, OMB has reduced the funding increase budgeted by IHS to maintain programs at present service levels. The result is that some categories receive no cost-of-living increases at all, while others receive only slightly more. Since Indian people can do little to control the effects of inflation on health care, this will mean a reduction in services for many health programs. Hardest hit in this area are alcoholism programs transferred from NIAAA (no increase), tribal management (no increase), dental services (+3.5%), public health nursing (+3.7%), and hospitals and clinics (+4.7%). Other line items are increased at varying levels. It appears to us that these increases are being awarded in a very arbitrary manner. We respectfully request that all budget categories receive increases consistent with the effects of inflation on program costs.

Mental Health and Alcoholism Programs: The health problems experienced by Indian people as a direct result of poor mental health and alcoholism are overwhelming. The following statistics easily illustrate this fact:

- The suicide rate for Indian people nationwide is over twice the national rate for all races. In the Pacific Northwest, it is over three times the national rate.
- In 1975, the Indian homicide rate was two and one-half times the national rate.
- During the past eight years, the three-year average alcoholism mortality rate for Indians has been from five to six times that of the United States as a whole.
- Indian people die from accidents at a rate nearly four times the national rate.

Over the years, Indian people have worked hard to establish and develop mental health and alcoholism programs that address the special cultural and social needs of the Indian population. Despite their high priority in the Indian community, these programs have never been funded adequately.

The FY 1982 budget does not adequately recognize the need for these services. The mental health budget has actually been cut by 20% from $7,513,000 in FY 1981 to $6,000,000 in FY 1982, involving the loss of twenty-three (23) staff positions.

The alcohol programs recently transferred from NIAAA to IHS received no cost-of-living increases, as in FY 1981. Some of the staff in these programs in the Northwest have received no salary increases for several years.

We respectfully request that the mental health programs receive an increase of at least 30%, not a decrease. We also request cost-of-living increases for these alcohol programs, which are caught in the squeeze between two federal agencies. These programs are critical Indian health. They need to be expanded, not curtailed.

Tribal Management: Tribal Management is another program that is critically short of funds. This program was established to assist Indian tribes in developing the capacity to assume responsibility for delivering health services, as mandated by P.L. 93-638.

Northwest tribes are becoming more and more interested in managing their own health programs. However, Tribal Management funds are inadequate. FY 1981 saw a $2,200,000 reduction in this budget category. The FY 1982 budget reflects no increases at all from the 1981 figure. As a result of these budget cuts and inflation, resources to allow tribes to achieve self-determination in health care are rapidly dwindling. We respectfully request that you fund this extremely important program at a more adequate level.

Preventive Health Programs: In the past few years, the federal government and the nation as a whole have turned to prevention of disease as a way to improve the quality of life and reduce the overall cost of health care. A strong commitment to this policy is not reflected in the FY 1982 IHS budget. There are no program increases in this category, and the cost-of-living allowance is only 7%.

At the Portland Area level, the health education program has been almost wiped out. Two years ago, the budget was $313,000; that was cut by over half to $139,000 in FY 1981. The program is now so minimal that its quality is threatened. Without additional funds from somewhere, it is questionable as to whether it can be continued.

The Community Health Representative Program is also in dire straits. Inadequate cost-of-living increases for the past several years have created severe hardships for dedicated tribal workers. We hope that in FY 1982, tribal CHR contracts will receive increases that adequately compensate for inflation and allow CHR's to receive long-delayed merit increases.

Contract Health Services: The Contract Health Services (CHS) budget category, which is used to purchase hospital and other services from private vendors where IHS facilities are not available, is of great importance to Northwest tribes. In addition to inflation in the cost of health services, this program will be strained in FY 1982 by restrictions and cutbacks in other state and federal programs. State Medicaid programs are restricting eligibility and benefits, causing many former recipients to turn to IHS for services. The proposed closure of the Public Health Service Hospital in Seattle would have a devastating effect on the Northwest CHS budget. We now send many Indian patients to this facility, and its closure would mean that much more care would have to be purchased through CHS, since there is no IHS hospital in the Northwest. Any freeze on the hiring of IHS clinic personnel will also create additional demands for CHS as patients are turned away from the clinics.

The proposed regulation to make non-Indian male spouses and other non-Indian members of . ian families eligible for IHS services is another variable that will have a significant effect on Contract Health Care. This regulation is not yet final, but IHS Headquarters has already instructed field staff to provide care to this population. The Northwest Portland Area Indian Health Board feels strongly that any expansion in the IHS service population must be accompanies by additional appropriations to cover the services to this population; otherwise, services to our Indian population will inevitably be reduced.

P.L. 94-437 Categories: The FY 1982 budget does not honor the annual service increases intended by P.L. 94-437. The purpose of this Act was to, over a seven year period, bring the health status of Indian people up to the level of the general population. For FY 1982, Congress authorized and the IHS requested increases in several budget categories. OMB denied all of these increases, except those earmarked for the Equity Health Care Fund, which is not mentioned in the 437 legislation. This new fund is intended to assure that Indian people with the poorest health status are able to raise their level of health care. As with any new program, problems have been experienced in implementation. Allocation criteria are unclear, and Indian organizations are concerned that we had no input into the distribution methodology.

We feel that the Equity Health Care Fund should not be established at the expense of needed increases in other programs. If the Indian Health Care Improvement Act were fully funded, there would be no need for this additional program with its associated new procedures and requirements. However, if the Equity Health Care Fund is to become an ongoing program, request that Indian tribes and Health Boards participate in the development of equitable ..location criteria and priorities.

An important health program, funded through P.L. 94-437, Title I, Section 102, is the Indian Health Manpower Recruitment Program. This program was cut by $1,000,000 in FY 1981, essentially eliminating the 437 recruitment effort. We request that Congress restore the funding for this program, which is critical to Indian aspirations for better health care.

Our Board also wishes to go on record as supporting our Northwest tribes in their requests. The Chemewa School received a Congressional add-on package for four dental positions. Since this was cut, we request that these positions be reinstated. The Improved Child Health Programs in Washington and Northern Idaho are requesting support from IHS so that the progress they have made is not lost. If the IHS assumes these two programs, the National Health Service Corps positions will not be lost. Yakima has developed supporting documentation to substantiate a replacement facility on their reservation; we support this request. Colville is requesting a replacement facility for their area, which we also support. Other tribes in our area also have specific needs which we wish to go on record as supporting.

On behalf of the thirty-four Northwest tribes we represent in the states of Washington, Oregon, and Idaho, we wish to thank you for the opportunity to bring before you today issues and concerns greatly affecting the health and well-being of our Indian people. We are ·ateful for the time given us today, are most appreciative of your support in past years, ..nd remain hopeful for your continued support.

STATEMENT OF PURCELL POWLESS, ONEIDA TRIBAL CHAIRMAN, ONEIDA TRIBE OF INDIANS OF WISCONSIN, INC.

ACCOMPANIED BY AUDREY DOCKSTADER, HEALTH CLINIC ADMINISTRATOR

Ms. RICHARDSON. The Oneida Tribe of Indians, Purcell Powless.

Mr. POWLESS. My name is Purcell Powless, chairman of the Oneida Tribe.

I have with me the health clinic administrator, Audrey Dockstader.

I'll be as brief as possible.

In 1977, we got special appropriations for a health clinic for a 3-year plan. It was approved and we implemented the plan and got into the second year of funding. Funding was annualized at that time. We're just requesting that the third-year funding be reinstated in the amount of $755,000. I guess it was left out of the President's budget. The Indian Health Service hasn't been able to tell us that that money—that anything has been done with it. We'd really appreciate it reinstating the third-year funding that was approved in 1977.

Ms. RICHARDSON. It's supposed to be for fiscal 1980, and you didn't get it then or in 1981? So you still have an ongoing program at the lower level?

Mr. POWLESS. We'll have to cut back if we don't get that third-year funding.

Ms. DOCKSTADER. This is the first year we've ever had a full-time position. And it's only been since July 1980. If we do not get reinstated, we will lose a lot of the services that are just now being provided.

Ms. RICHARDSON. There is some money in the budget now to continue the program, but not the additional increment.

Ms. DOCKSTADER. No.

Mr. POWLESS. Thank you.

Ms. RICHARDSON. Thank you very much.

We'll take a break for a couple of minutes.

[A brief recess was taken.]

[The statement follows:]

STATEMENT OF THE ONEIDA TRIBE OF INDIANS OF WISCONSIN, INC.

I, Purcell Powless, Chairman of the Oneida Tribe of Indians of Wisconsin, on April 18, 1977, appeared before the House Appropriations Committee for Interior and Related Agencies on behalf of the Oneida Tribe, requesting financial assistance in the operation and management of the Oneida Community Health Center. Our request was for a three-year plan for gradual implementation; building up to the needed staff and services.

Year One - 1978 -	$ 843,000	
Year Two - 1979 -	1,005,000	
Year Three - 1980 -	1,760,000	(which included 54 staff positions.)

The first and second year funding was received as requested, but the third year phase-in was left out of the President's budget. Thus, the base rate stabilized after the second year, leaving the Tribe short by $755,000 the third year.

The Oneida Business Committee, by Resolution #2-12-81A, which is included in the documentation, is asking to have the funds reinstated to assist in the delivery of the needed health services. The loss of the anticipated funds will seriously affect the delivery of services. The health needs of the Oneida Tribe, their families, and other federally recognized tribal members living on or near our reservation would suffer greatly, causing a giant step backwards in meeting the health needs of the people.

Factors described in the summary and progress narrative are meant to explain the need for reconsideration and restoration of our original request of 1977, which is urgently needed to maintain existing services and to further provide the health care needs of the Indian population which are still unmet.

Many discriplines need supportive staff to help curtail the following needs. The demand for dental services is staggering with a waiting list of 400 individuals. The pharmacists are working many hours over and above the regular eight-hour day to see that prescriptions are filled. People are waiting for optometry services with a present list now over 247. Requests for assistance in paying medical/hospital bills are numerous. Same-day medical needs are getting more difficult as the daily appointment books are filled. Alcohol and drugs are becoming a bigger problem, resulting in suicide and/or attempted suicide.

Necessary staffing requirements to help fill requests for care would be for another dentist, a dental assistant, pharmacy assistant, clinic psychologist,

occupational therapist and public relations to interpret and explain misunderstandings of the many reasons why policy and procedure need to be followed.

Re-evaluation and inventory of previous health care services have proven a need of the restoration of the third-year funding. This will insure our continued effort to provide the much needed services, improving the level of health to all members of the Oneida Tribe and members of other federally recognized tribes living on or near the Oneida Reservation, located in Brown and Outagamie Counties.

The Oneida Tribe of Indians of Wisconsin, hereby, request reinstatement of the original appropriation for staffing and operating their health center facility and tribal program support costs at a rate of 26.6%.

Members of the Committee, thank you for your time and future consideration. I leave with you documentation from the Oneida Tribe of Indians of Wisconsin, concerning our need.

The Oneida Tribe of Indians of Wisconsin present an overview and summary of Progress of the delivery of health care since the beginning of their pilot program in our attempt to provide health care to the Oneida People, their families and other Federally recognized Tribal members living on or near the Reservation in Brown and Outagamie Counties, Wisconsin.

The Oneida Indian Reservation is a tract of land about eight miles wide and twelve miles long, encompassing over 65,000 acres. It lies diagonally in Brown and Outagamie Counties, along a northeast-southwest axis, and includes all of Hobart and Oneida Townships. The City of Green Bay is immediately to the east of the Reservation and contains a portion of the Reservation within it's limits. The City of Appleton is about seventeen miles southwest of the Reservation center.

The total enrollment as of February 1, 1981 is 8,050 members, with over 3,244 living on or near the Reservation, and 5,080 included in the two county area. This number includes other federally recognized tribal members who are served by this Tribe's health facility. Other members of the tribe are scattered in different parts of the State and this Nation. Many had to leave home and re-establish themselves and their families elsewhere because of socioeconomic reasons. The local population is increasing, as the trend of Indian people is to return, due to retirement, housing, health, other tribal involvements, or the desire to be home again.

The passage of P.L. 93-638, the Indian Self-Determination Act, and the enactment of the Indian Health Care Improvement Act, P.L. 94-437, offer significant steps toward health benefits for the Oneida Tribe.

Now that health services have been provided on the Reservation, many of the Indian people have continued their education and/or entered fields in the health areas, especially nursing, nursing assistants, social workers, drug and alcohol counselors, dental, pharmacy, legal and other law enforcement positions.

The long awaited opportunity for adequate health maintenance and preventive health services is now afforded the Oneida Indian people and members of other Federally recognized tribes.

Since the beginning of the 1970's the Oneida Tribe has attempted to provide, through it's own initiative and through requests for federal support, resources to provide health needs for it's members and their families.

Previous to this time, health care was non-existent and sporadic. Indian people survived through time honored native medicines, treatment methods, prayers, and hope. Consequently, the life span of all Indians was short; average life expectancy was 45 years.

The pilot program provided a central location for Indian people in familiar surroundings and a comfortable atmosphere, away from pressures of social, economic, and language barriers.

In June 1972, health surveys were taken and requests for well baby clinics were initially considered. In September 1973, rooms were rented in the nearby Sacred Heart Seminary, equipment and supplies were donated, volunteer help by professional and para-professionals Indian and Non-Indian, thus resulted in the beginning of health care for tribal members on a very limited basis.

Through a public works grant from the Economic Development Administration, a new facility was built to house all health services. Occupancy was in May of 1978.

It was staffed and operated by the Special Appropriations considered by Congress in 1977. The cost breakdown is as follows:

First Year	FY 78	$ 843,000
Second Year	FY 79	$1,005,000
Third Year	FY 80	$1,760,000 with a total of 54 staff positions

The Oneida Tribe requested a three year phase-in plan to provide a better opportunity to gradually build up to the needed staff and services.

The first and second year funding was received as requested, but the third year phase-in was left out of the President's budget. Thus the base rate stablized after the second year, leaving the Tribe short by $755,000 the third year.

With a quick look back ten years ago, even a dream of the Oneidas helping themselves take care of each other was unthinkable, again social and economic barriers, accompanied by inherited feelings of inferiority.

We are able to prove that monies received by this Tribe were put to good use and not wasted. Self esteem is on the rise for the first time in centuries. We do not have to hang our heads in shame, simply because we are Indians and can not be educated to become useful citizens.

Statistics for In-house services offered by the Oneida Community Health Center from July 1 through December 31, 1980, which is the period of time we first realized the actual services of two full time physicians.

	UNITS OF SERVICE
Medical Services - primary care, immunizations, laboratory, x-rays, audiology, optical, speech pathology and referrals to specialists.	13,737
Dental Services - emergencies, routine maintenance and referrals.	2,000
Pharmacy Services - prescriptions filled from in-house, and outside physicians and counseling.	14,248
Community Health Services - direct nursing care, home health Community Health Representative, including transportation and counseling and health teaching.	9,607
Nutrition Services - implementation of the Women, Infant, and Children Program, diet counseling and menu planning and referrals to other services as needed.	2,060
Chemical Dependency - counseling, follow-up in hospital, and following along after treatment.	1,315

Mental Health and Family Services - counseling, referrals to proper resource agencies, includes Indian children under the Indian Child Welfare Act. 1,456

24 Hour Rescue Service is subcontracted for medical emergencies; aged, infirm, acute illnesses, and accidents.

Direct Optometry Services will start in February 1981 with a waiting list of 247 for examinations, glasses, and/or referrals for eye diseases.

Environmental Health Services - includes sanitarian services; wells and sewer systems, rodent control and refuse service.

Since the inception of the Health Center, health services are readily being accepted. The total number of people using the Center on a daily basis is approximately 65, and is increasing with each day.

Fiscal Year 1981 funds will continue the operational phase of a comprehensive health care program. It will be our first year the program will be staffed with full time physicians making comprehensive health care a reality.

The continued back log of people asking for services has found it necessary to change original staffing titles, performing functions and working in more than one capacity. With the population increasing, this of course results an increased need for additional services. Preventive health needs are increasing and maintenance services are taking over by demand.

Each and every department is functioning above and beyond their limitation in an attempt to provide and maintain the staggering workload, which is surely indicated.

Many disciplines need supportive staff to help curtail needs. The demand for dental services is staggering, with a waiting list of over 400 individuals. The pharmacists are working many hours over and above the regular eight hour day to see that prescriptions are filled. People are waiting for optometry services with a present list now over 247. Requests for assistance in paying medical/hospital bills are numerous. Same day medical needs are getting more difficult as the daily appointment books are filled. Alcohol and drugs are becoming a bigger problem, resulting in suicide and/or attempted suicide.

Necessary staffing requirements to help fill requests for care would be for another dentist, a dental assistant, pharmacy assistant, clinic physcologist, occupational therapist and public relations to interpret and explain misunderstandings of the many reasons why policy and procedure need to be followed.

The above positions are in addition to the present staff totaling 46 full time and 3 part-time employees which also includes seven Commission Corps Officers of the Public Health Service. Total positions would represent fulfillment of the 54 positions initially requested and appropriated by Congress in 1977.

We have placed emphasis on Cost-Containment and fiscal departmental accountability. With every price increase, like other service providers, the Tribe has also been beset most severly by the on-going inflationary spiral and current economic recession.

With every price increase the cost of health services rise. Indian people will once again neglect their health, as food and shelter will be the number one need. Health care was always considered a luxury item of which we could not afford. We do not realize our good or bad health and it's ultimate effects on everyone including society.

The Oneida Tribe of Indians of Wisconsin, hereby request reinstatement of the original appropriation for staffing and operating their health center facility and Tribal program support costs to a rate of 26.6%.

Every attempt has been made to function on an efficient basis in the past. Curtailing present services would create a hardship to most of our clients as they are in a low socioeconomic status, residing in a rural area with many needing transportation to the center for services. Further cost cutting efforts will have a definite impact on either the quantity or quality of services provided.

Re-evaluation and inventory of previous health care services have proven a need of the restoration of the third year funding. This will insure our continued effort to provide the much needed services, improving the level of health to all members of the Oneida Tribe and members of other federally recognized tribes living on or near the Oneida Reservation, located in Brown and Outagamie Counties.

Indian Culture and Tradition tells us, "We must share and provide." With your help it can be done.

STATEMENT OF JOHN THOMAS, KICKAPOO VICE CHAIRMAN, THE KICKAPOO TRIBE IN KANSAS

Mr. THOMAS. My name is John Thomas. I'm the Kickapoo vice chairman from the Kickapoo Tribe of Indians in northeast Kansas.

I'm here today to testify on behalf of the Kickapoo and the Powhatan School, which is 77 percent of the Indian population in school.

In August 1980, the district held a referendum which would disorganize the school. The vote was 157 to 154. We lost the school by three votes because the Indian people were not organized; therefore, they disorganized the school.

Now, we're having this fall to face the problem of busing our children to other school districts.

We have a real great enterprise going on the reservation. Everything we've accomplished on the reservation was the result of that school being there. The school was built in 1975 with Federal funds, supported by Senator Bob Dole and Senator Pearson. They supported the school with Federal funds. Now that the school has been disorganized, we're trying to get funds to operate the school on the reservation, because the Kickapoo people will not bus their children. It's not in compliance with Indian culture.

Ms. RICHARDSON. How far would they have to be bused?

Mr. THOMAS. About 20 to 30 miles.

You know, it's not in compliance with the Indian Child Welfare Act, which is a study which indicated that the breaking up of Indian day schools breaks up Indian homes. And we strongly believe that we want to retain our culture, and we're requesting funds at $600,000 plus for special appropriations to keep that school going. We're going to operate it on the reservation. Or if Kansas laws permit us, there's some new legislation in Kansas laws that may permit us to get the school back. But we still will need the monies for 1981 and 1982. That's an 18-month timeframe.

Ms. RICHARDSON. Where are the children going to school now?

Mr. THOMAS. Presently, they're going to school at Powhatan. But the last day of school, if we don't succeed, it will be the end of May.

Ms. RICHARDSON. So it will be the end of the school year?

Mr. THOMAS. Yes, it will.

Ms. RICHARDSON. Have you had discussions with the Bureau about this?

Mr. Thomas. We've had discussions with the Bureau. We've got a 638 contract into them that will be approved, but the Bureau does not have the money. That's why we're asking for special appropriations to be tacked onto the Bureau budget, designed for the Kickapoo tribe to operate the school.

Ms. RICHARDSON. Thank you.
Mr. THOMAS. Thank you very much.

STATEMENT OF HOMER BEAR, TRIBAL CHAIRMAN, THE SAC AND FOX OF THE MISSISSIPPI IN IOWA

ACCOMPANIED BY DON WALDEN, TRIBAL SERVICE DIRECTOR

Ms. RICHARDSON. We will insert in the record at this point a statement from Senator Grassley in support of the Sac and Fox request.
[The statement follows:]

STATEMENT OF SENATOR GRASSLEY

Madam Chairman. I wish to introduce Mr. Homer Bear, chairman of the tribal council of the Mesquakie people whose settlement is in Tama County, Iowa. Accompanying him is Mr. Don Wanatee, his executive assistant.

These men have met with me in the past regarding tribal needs. They are concerned leaders of their people and have made every effort to share decisionmaking with them.

I ask you to pay particular attention to the unique land ownership conditions of the Mesquakie people. It is this condition which poses both the problems and possibilities of their proposals to this committee and the Bureau of Indian Affairs. The settlement land is theirs, but it is held in trust by the Federal Government. The Mesquakie own their homeland—it is not a federally owned reservation.

Thank you, Madam Chairman for allowing me to present these leaders of an important group of Iowa residents.

Mr. BEAR. My name is Homer Bear. I'm the tribal chairman from the Sac and Fox Tribe of the Mississippi in Iowa, otherwise known as the Mesquakies. With me is Don Walden, our tribal service director.

We're here on behalf of the Sac and Fox people of Iowa to request a special appropriation to meet our emergency low-income housing problem there.

We have a figure of 115 households. Fifty percent of those are in need of immediate replacement; 25 percent are in a lesser but a same category of replacement.

All these problems are hardships on the tribe. We have overcrowding due to multifamily housing, occupancy of the housing, and unsanitary conditions, and health problems. We haven't been receiving other benefits that the tribes have been receiving through FHA programs available to Indian tribes alone.

Due to the unique trust status of a tribe, mortgage lenders and others are not willing to secure loans for the people on the settlement. This is due, in part, because they don't understand the tribe's position to prevent other interests—let me rephrase that.

Ms. RICHARDSON. Is the problem one of land title?

Mr. BEAR. Right.

Ms. RICHARDSON. Keeping the land title.

Mr. WANATEE. Encumbrance of land. We do not want to have to do that if at all possible.

Mr. BEAR. OK.

Under the HUD programs we feel that due to the past experience of different tribes experiencing various problems that they've had in their housing authorities and everything like that, we don't feel that we can meet some of their regulations and ordinances that we have to develop. One area is rent collection. Due to the tribe's high unemployment rate, which is 50 percent of the employable work force of the tribe, we feel that we cannot meet those guidelines.

Also, do to the requirements of eviction, we feel that we cannot do that because the purpose of providing that housing is to house the people. If we evict them, they have no place to live.

Also, under the HUD guidelines, you have to take out a mortgage on tribal land for 40 years or whatever it might be. We're in a position that we cannot obligate or tie up our land for that long a period of time.

Ms. RICHARDSON. Sir, you prefer to go with the HIP program rather than HUD?

Mr. BEAR. Yes.

So what we're requesting is either an increase in the tribe's budget allocation under the fiscal year 1982 program of $1,136,000 or, if that's not possible, a special appropriation from Congress.

But we're in such dire need of housing and a desparate situation now, that the tribe is willing to obligate some of their money toward some kind of a matching program if the Federal Government cannot come up with 100 percent of fund contributions.

Ms. RICHARDSON. Do you have a HIP program now?

Mr. BEAR. Yes, we do.

Ms. RICHARDSON. How much do you get from that?

Mr. BEAR. The allocation we get is not sufficient to meet our housing needs, because for fiscal year 1981, we only got $85,000, which is only enough to construct two new houses. It does not meet our needs. To meet our needs, it would take 50 years to meet our present housing needs.

Ms. RICHARDSON. You need to start all over again.

Mr. BEAR. So that's the position we are in now. So that's what the tribe is requesting now, either an increase in the tribe's HIP allocation under the BIA of $1,136,000 or a special congressional allocation, appropriation to the tribe.

Ms. RICHARDSON. OK.

Thank you very much.

[The statement follows:]

Statement of the Sac and Fox Tribe of Iowa

The Sac & Fox Tribe of Iowa has a serious housing need and has exhausted all avenues to fund the proposed housing project.

The governing body of the Sac & Fox Tribe has developed a $1,136,000 housing program to construct 30 houses to meet the needs of the people. The Tribe has taken upon itself, to earmark $500,000 of tribal monies to help fund this project.

We are seeking an increase in the FY '82 allocation to the Tribe, under the existing Bureau of Indian Affairs Housing Improvement Program and/or special Congressional appropriation to the Tribe for total or matching funds.

February 16, 1981

Senator Charles Grassley
Senator Roger Jepsen
Representative Cooper Evans
Commissioner, Bureau of Indian Affairs
Area Director, Minneapolis Area Office

Dear Sirs:

The attached document is hereby submitted by the Tribal Council of and for the Sac and Fox of the Mississippi in Iowa Tribe for your kind consideration.

It is our last desperate hope that due consideration be given to our people in our basic humanistic need: Better homes.

Our people have and are still suffering in this age and time of housing renaissance among all Tribes in this nation.

We implore your most urgent assistance in our most critical need.

Sincerely yours,

Homer Bear, Jr., Chairman
Sac and Fox Tribal Council

COMMUNITY

HOUSING STATUS REPORT

INTRODUCTION

The Sac and Fox of the Mississippi in Iowa Tribe (Mesquakies) hereby appeals to those in a position to assist the Tribe in over-coming one of the most critical and pressing needs of its people: adequate housing.

The Tribe hereby requests total or matching funds, either through a Federal Grant or a special Congressional Appropriation to alleviate a

basic humanistic need. Until this immediate situation is absolved, can the Tribe realistically project its future in terms of Community Development for independent economic growth.

This Tribe may be the only Federally recognized Tribe in the United States still faced with a deplorable housing situation. Other tribes have been assisted mainly by the H.U.D. programs for their housing needs. This Tribe, because of the unique status of its land, has not been able to utilize the H.U.D. as well as other Federally subsidized housing programs due to lease or mortgage requirements imposed by such programs.

The Sac and Fox of the Mississippi in Iowa has been in the process of developing and initiating plans designed ultimately to improve services to the Mesquakie people.

Critical areas of needs have been identified through a Comprehensive Community Survey. Feasibility studies have been done to prioritize these needs and to plan a program of operations designed to improve existing critical conditions on the Settlement.

The following information is based on various surveys conducted and analyzed from 1977 to the present time.

I

HISTORICAL

The early history, in the year 1500, the Eastern branch of the Algonquin Confederacies, known as forest dwellers, were living along the eastern seaboard. The Mesquakie Tribe was a member of this Eastern woodland group of Tribes closely related to the Cree, Sauk, Pottawatomie, Menominee, Shawnee, Kickapoo, and the Chippewa. These Woodland Tribes showed language and cultural similarities.

The pressure and the encroachment of other Tribes and the "new" whiteman, was the basis for the Mesquakies eventual migration to the West. The Tribe dwelt primarily in the area of Lake Michigan to Green Bay, Wisconsin wo that is now the city of Chicago. At the end of the eighteenth century, the Tribe moved further west along the Mississippi River. It was in this period that the Tribe was allied with the Iroquois Nation and later with the Confederacy of the Five Nations in the Indian Wars. It was during the French and Indian Wars the name "Fox" was attached to the Tribe. The French called them "Renards" which the English translation means "Fox". In 1712, the Tribe, Kickapoos, Saukies, and the Pottawatomies formed an alliance against the French. This mutual protection prevented the French from their determined effort to exterminate the Tribes. The Sauk and the Foxes continued the alliance becoming a powerful unit resistant to change. Jesuit missionaries placed them in the Green Bay area in 1760 and recorded them in Wisconsin as the "Fox and Sauk". The Tribes kindred called them the Mesquakies (Red Earth People) because the land they lived on was red in texture.

The whiteman's migration to the West and unrelenting pressure from neighboring Indian Tribes again forced the Tribe to move to new areas. The

Tribe migrated to what is now Dubuque, Iowa and eventually to the area around Rock Island, Illinois. The Saukies (Sac) lived across the river from the Mesquakies. Even though separate, the Federal Government dealt with the two tribes as one unit for convenience and so the name "Sac and Fox". The Black Hawk Wars further diminished the Tribe and caused separation which the Tribe endured and survived.

The Federal Government, in 1842, forced the Mesquakies to a government reserve in the State of Kansas. Eventually, during this period, families and groups left the reserve at night to live in hiding along their beloved Mississippi River Vallery back in Iowa. The Federal Government further planned to relocate the Mesquakies to the Indian territory in Oklahoma by establishing a reserve for them in this state. The Sauk were and still are there. During this period, the combined bands of the Mesquakies bought 80 acres of land in Tama County, Iowa. The title for the land was vested in the Governor of Iowa for the Mesquakies for their protection and trust. This trust was later transferred to the Federal Government in 1896 after the Tribe had acquired more lands to a total of 3,476 acres. The Mesquakies now had and still have their home land. Until the middle 1970's, the Tribe paid taxes to the State for its property. This is the unique position of the Tribe in relation to the Federal Government. The land is theirs but is held in trust by the Federal Government.

In 1856, the Mesquakies severed ties with the Saukies (Sacs) by leaving the Great Nemaha Reservation in Kansas. But the term, "Sac and Fox" is still used in connection with the Mesquakie Settlement. A Mesquakie is a bonafide resident of Iowa who still retains and maintains the cultural values and he cherishes. . his native religion, language, music, and dances. He loves and is protective of the land on which he lives.

TODAY

The Mesquakie Settlement, 3,476 acres, lies along the meandering Iowa River with the total population of approximately 924. The resident population will fluctuate between 600 and 700 people depending on what the seasonal labor determines among those who are working away on various seasonal employment. The Settlement does not have an economic base as such but is primarily dependent on the various federally funded projects that are yearly generated and funded. The amount of the funds and the length of programs is inconsistent. The Tribe has to continually compete for funds that are normally allocated to other larger tribes. Most of the employable people from the Settlement are working in surrounding industrial complexes in Marshalltown, Waterloo, and Cedar Rapids, Iowa. Most of the labor is in construction areas with very few, if any, in any type of professions.

II

LIFE ON THE MESQUAKIE SETTLEMENT

(A)

Geographic-Demographic

GEOGRAPHIC

The Sac & Fox of the Mississippi in Iowa Tribe, a Federally recognized Tribe in the United States, otherwise also known as the Mesquakie Tribe, resides on a Settlement of approximately 3,476 acres located in the central part of the agricultural region of Iowa. (Exhibit A & B)

The land, bisected by the meandering Iowa River, consists of flat-timbered bottom land in the southern half and rolling timbered hills in the northern half. The total area consists of at least 60% timbered area.

The Settlement is located near, 20 to 60 miles, the industrial urban centers of Des Moines, Cedar Rapids, Waterloo, and Marshalltown, Iowa. The region is of temperate climate with extreme summer and winter temperature - Highs of up to 100 degrees above and Lows to 15 - 20 below 0 centigrade. Rain and snowfall may also be in extremes; 6 to 16 inches of rain and one to three feet of snow per annum is not uncommon unless there are extremes in weather patterns.

DEMOGRAPHIC

The major residential population of the Mesquakie people is located primarily within the Settlement.

The two most recent census are the ones numerated for the U.S.D.A. Foods Commodities Distribution Program the Tribe has applied for to be implemented in FY81. This application has been tentatively approved and will be in operation by May 1981. (Exhibit C)

The Bureau of Census also is another source for resident population figures. Their numeration has to be examined and finalized since their count has been generalized. (Exhibit D)

The unemployment rate, of the employable, is extremely high due to the abundance of unskilled labor and the lack of common construction labor opportunities. Welfare dependency has been very pronounced. (Exhibit E)

III

THE MAJOR CRITICAL PROBLEM

(A)

Inadequate Housing

Most of our people live in incredibly old and dilapidated structures that are scattered throughout the Settlement. In many of the dwellings,

a large family is crowded into a couple of tiny rooms. Most of the homes have cracked foundations. In a large number of the homes, insulation, plumbing, and central heating are non-existent. In fact, many of these "homes" are best described as hovels, shanties, or shacks. A few members of the tribe live in trailers. Eighteen "fortunate" families live in houses that were built during the last ten years with B.I.A. assistance, but, many of these homes have no plumbing. Two families live in the old B.I.A. building, which formerly served as the tribal office. In general, the condition of the Sac and Fox Settlement's homes represents an intolerable situation. (Exhibit F)

Economic conditions on the Settlement are equally deplorable. The average monthly household income is $516, well below the "poverty line." In the average household, this income must support more than four people. As of April, 1978, more than 60% of the potential workforce is unemployed, and a large additional segment of the work force is under-employed. There are no businesses or industries on the Settlement.

The physical condition of the Settlement presents additional problems. There are no paved roads on the Settlement, and during the winter and spring the roads are frequently impassable. The Iowa River flows through the Settlement and annually inundates about 50% of the land and 25% of the homes. There is no centralized waste disposal system . . . outhouses and septic tanks are used.

In an October 1977 survey of 115 households on the Mesquakie Settlement, Tama, Iowa, 45% of the families interviewed listed the need for new housing as their most pressing personal need; an additional 23% listed plumbing and home improvement as their most pressing personal need; 25% of those interviewed listed housing as the most pressing tribal need.

The following statistics further illustrate the problem:

a. 34% of the houses on the settlement totally lack insulation; an additional 40% are only partially insulated.

b. 50% have no central heating system.

c. 53% of the Settlement's households have no indoor plumbing and are forced to rely on outdoor wells for their water.

d. There has been no new housing built on the settlement since the 1930's, with the exception of 18 houses built under the B.I.A.'s Housing Improvement Program.

e. Present construction of B.I.A. - H.I.P. homes is taking place at the rate of only two houses per year. Tribal officials and consultants have estimated that, at this present rate, it would take fifty years to supply enough new housing units to provide for today's tribal housing needs.

The major causes of the problem are the following:

a. Special trust status of land: this has discouraged mortgage lenders from making home loans to build houses on tribal land.

b. Past unresponsiveness of government housing programs to needs of Indian tribes: this is particularly true of HUD and FmHA

programs, which often fail to recognize tribe's need to protect tribal land from outside interests.

c. Lack of assistance from government agencies in areas of planning and economic development.

d. Absence in the past of long-range planning to provide for future housing needs.

e. Total lack of industry on the Settlement, outside of crafts, fur trapping, and some limited farming by individual members of the Tribe.

Major consequences of the problem:

a. Families are forced to move away from the Settlement due to the shortage of available housing; movement away from the Settlement means separation from relatives and friends and increasing social problems as these families attempt to adjust to life in urban slums. Of the total tribal membership of 900 persons, only about 600 presently live on the Settlement.

b. A majority of the members of the Tribe have been forced to continue living in substandard housing which they lack the money to repair.

Applications will be submitted to Public Health Service for funds for development of a water and sewer system. A variety of state and federal agencies will be contacted for information concerning possible sources of funds for new housing construction.

Assistance will be requested from HUD in the form of training consultants, since several HUD officials are knowledgeable about the housing construction process.

For construction of the twenty elderly units, a coordinated effort will be made between HUD, BIA, and Indian Health Services to make sure all facets of the construction process are completed.

HUD and IHS will also be requested to assist in the process of inspecting new construction to make sure the work is of a high quality.

In addition, this project will maintain close ties with our housing VISTA project which works with Indian Housing authorities in Nebraska and Kansas. Many of the housing problems confronting the Sac and Fox Tribe of the Mississippi in Iowa are common to other tribes as well.

SAC & FOX SOCIAL SERVICES UNIT - Information & Data

The problematic areas identified within the Mesquaki Indian Settlement are basically focused on economic-socio needs. High unemployment rate exists, categorical aid-assistance to members is staggering, and based on the latest information provided by a federally funded alcohol program, alcohol related problems are predominant and epidemic. (Exhibit E) Relative to these areas are the lack of adequate housing and according to national standards - wholly substandard.

Within the area of social context, problems emerging from the lack of adequate living quarters is well documented. The problems are related to identifying families who are potential or high-risk families undergoing stress due to lack of housing. Family life on the Mesquaki Indian Settlement is best characterized by the present day standards as the "isolated nuclear family", isolated residentially, economically and politically. The Tribe has developed a highly homogeneous society which is based on a kinship system that is regarded as an important resource for many of its members. For person who require help in cases of emergencies, financial, emotional or housing support, they often rely upon the "system".

The Mesquaki community can be classified as an "extended-expanded" family type which is fluid and never static. Roles well defined, governmental and eco-political systems, religious and cermonial rites, social behaviors in which group involvement, support and consensus play a major and key part in creating a well defined and homogeneous atmosphere. In the past, members have been able to successfully integrate those functions within the larger eco-political system, however, in the last two decades, a slow and gradual malaise has set in due to lack of adequate resources to sustain their tribal system. The attendant problems of poor housing are obvious factors to this accelerating condition: child rearing disorders, child neglect/abuse, marital, financial, youth and adult disorders, and domestic violence.

The following statistics and data furnished by the Social Services Unit of the Sac and Fox Tribe in Iowa and the Iowa Department of Social Services, Tama County Office, best illustrates the critical need for assistance. (Exhibit E)

Considering the woefully inadequate housing, the dismal economic outlook, and the unimproved physical condition of the Settlement, it can be no surprise that the Mesquakie people presently endure a standard of living far below that of the average American. This gap could be narrowed considerably by providing for increased production of safe, adequate housing . . . the Tribe's foremost need.

(B)

Present Alternatives

BIA (H.I.P. PROGRAM)

The Bureau of Indian Affairs, with its yearly allocation of a fixed and pro-rated figure, provides funding for the construction of two houses per year and possible renovation or repair of three to four of the existing houses, which are normally beyond adequate repair.

Based on this present program, it will take fifteen (15) years to adequately complete this project when the needs for at least thirty (30) houses are immediate.

The Tribe plans to continue operating under the current H.I.P. program also. Funds under this program will be used exclusively for housing im-

provement. It must be understood that this program is geared to providing only a temporary solution for the bulk of the homes since even with improvements the homes will, in a few years, deteriorate to the point where they will no longer be habitable and new structures will be necessary. The funds will also be used for any repairs or preventative maintenance needed on the new homes.

The present project, construction of two houses per year will continue with each funding year. There have been considerable improvements in the basic construction of each dwelling as the locally employed and trained Tribal members become more skilled in this constructiion area. (Exhibit H)

OFF SETTLEMENT

A certain percentage of our residential population are forced to move off the Settlement and seek rental housing in the communities of Tama and Toledo, Iowa.

The housing or the apartment dwelling made available to the Indians is woefully pitiful and usually in the poorest section of these two towns. (Exhibit G)

The rental rates are high and those on fixed income are pressed for basic existence needs or meeting fixed living expenses such as water-sewer costs, heating-utilities, and other costs normally associated with city dwellings.

ON SETTLEMENT

The residential population that chooses to remain, continue to live in very poor housing. As is shown by various statistics in this report, the homes are totally inadequate based on the National Requirements for decent housing. (Exhibit H)

In the winter of 1978, one young couple, with two small children, lived in a wood sapling frame dwelling covered with cloth and plastic, over a dome-like (wick-i-up) structure. This couple had no alternative housing due to the employment status of the breadwinner. They survived two winters.

Methodology of the Mesquakie Social-Economic Survey of October 1977

A. Four Mesquakie-speaking field researchers, after a two-day training period, interviewed the participants in their homes. No time limits were placed on the length of the interviews, and the researchers were able to return to individual homes if the situation warranted. In many instances, the interviews lasted for several hours. The fact that the interviews were lengthy is an indication of the severity of the problems of the participating households. Upon completion of the field research phase, the completed survey instruments were given to the project consultant for analysis and compilation into a final report.

The survey was designed to include data on household size, ages, education, employment history, income, housing conditions, services, physical conditions on the Settlement (e.g., road conditions and flood control), need priorities for the Tribe and its individual members, and opinions regarding the future of the Mesquakie people and the Settlement. All of the data was hand-collated, and the conclusions in the final report were drawn directly from the survey data.

The final report is significant in that it includes information from about 90% of Settlement households. This is a remarkable level of response for a survey which requests a considerable amount of extremely personal and sensitive information. In fact, if other similar surveys were to be attempted by only non-residents or outside agencies, it is doubtful that the rate of response would be more than 20%-30%. The high level of response to this survey is an indication of the socio-economic conditions of the Mesquakie tribe. The following information summarizes the general socio-economic status and housing conditions of the Mesquakie Settlement.

I. The Socio-Economic Survey

In October 1977, a five-week survey was conducted to determine the socio-economic conditions of the Mesquakie tribe. This survey was conducted on a door-to-door basis through the time and efforts of the Mesquakie people.

SOCIO-ECONOMIC CONDITIONS

I. (1977) Typical Mesquakie Settlement Working Age Household (18-54)

a.	Number of household members	4.5
b.	Age of dependent children (avg.)	12 years
c.	Age of household head(s) (avg.)	37 years
d.	Educational leave (avg.)	10.5
e.	Monthly income (avg.)	$515.00
f.	Job Level	un/semi-skilled
g.	Household receiving aid/assistance	38%
h.	Household where aid/assistance constitutes total income	17%
i.	Unemployment rate, April 1978 (198 in a potential workforce of 316)	60.2%
j.	Commuting distance to and from job/week	140 + miles

II. (1977) Typical Retirement Age Household (55 or over)

a.	Household age (avg.)	63 years
b.	Monthly income	$310.00
c.	Households on fixed income	62%
d.	Households supporting other family dependents	38%

HOUSING CONDITIONS (83 Residences)

a.	Age of Residence (avg.)	25 years
b.	Average number of rooms (included kitchen and bath when present)	4
c.	Average number of household members	4.5
d.	No insulation in residence	34%
e.	No plumbing	53%
f.	No central heat/furnace	50%

Unpon analyzing this data, particularly with regards to economic status, the age of the residences, the number of rooms in the residences, the average number of household members, the deteriorated condition of the residences, and the lack of plumbing, central heat, and insulation, then one conclusion is inevitably apparent. A very critical housing problem exists on the Mesquakie Settlement and immediate action must be taken to resolve this problem.

A section of the socio-economic survey requested the respondents to prioritize nine expressed Settlement needs, these needs were as follows:

Law Enforcement	Social Services
Housing	Flood Control
Elderly Housing	K-8 School
Better Roads	Economic Development
Health/Medical Clinic	

The result of this survey clearly indicates that housing, both general and for the elderly, along with a clinic, are the highest priorities of need expressed by the Mesquakie people. The priority listing showed housing and elderly housing as being the number one (1) and number three (3) priorities, respectively.

Another section of the survey requested that respondents state what they felt was their most important need and the most important need of the tribe. Of the 115 household respondents, housing received the highest percentage (25%) of people who indicated it as being the most important tribal need. In responding to personal needs, 68% of the people indicated housing or plumbing/home improvement as being their most important personal need. Again the conclusion which can clearly be drawn is that housing is the most critical and important need of the Mesquakie people.

This socio-economic survey points out that an urgent need for decent, liveable homes exists on the Settlement. The current condition of most of these homes is shocking. They are over-crowded and badly deteriorated. Furthermore, the survey indicates that the resolution of the housing problem is the highest priority of the Mesquakie people.

II. Alternative Sources of Funding: A Bleak Picture

1) Funding from the private sector: Loans from banks, savings and loan associations, and other investors are not available for the construction or renovation of housing on restricted or trust lands

(since the lands cannot be pledged as collateral). Private foundations are notoriously unwilling to provide grants for any type of housing construction.

2) Funding from state or local government: Not available at present, and unlikely to become available in the foreseeable future.

3) Funding from the Federal Government: The three major sources are the programs of the Farmer's Homes Administration (FHA), the Department of Housing and Urban Development (HUD), and the Bureau of Indian Affairs' Housing Improvement Program. (HIP)

(a) Farmer's Homes Administration Program: The Sac and Fox Tribe refuses to place its hard-won land in potential jeopardy through the quasi-mortgage (leasehold) arrangements of the FHA program. This program is tailored to individual landowners, and has a history of failure on Indian reservations.

(b) HUD Housing Program: Since elderly housing presents very few management problems, the Tribe probably is willing to undertake the management responsibilities for a proposed 20-unit elderly housing complex. But the Tribe is unlikely to approve the construction of additional HUD housing in the foreseeable future. The HUD program is unsatisfactory because it requires the Tribe to comply with a welter of petty regulations. These regulatory entanglements have been an unending problem for other tribes in this region.

(c) BIA Housing Improvement Program (HIP): During the last decade, the Tribe has received some funds from the BIA under the Housing Improvement Program. This program is designed to provide funds primarily for the repair of existing housing. But during the last fifty years, most of the dwellings on the Mesquakie Settlement have deteriorated beyond all hope of repair. In many instances, the only practical "housing improvement" is complete replacement. More than 80% of the houses on the Settlement could easily be condemned. Thus, most of the available H.I.P. funds have been used to finance the construction of new houses. But, at the present rate of new house construction (an average of two starts per year), it would take approximately fifty years before today's housing needs could be met. The Housing Improvement Program has been helpful, but it has not be able to satisfy the immense need for adequate housing.

III. Housing Needs

Most of the people are currently living in old, decrepit houses scattered throughout the Settlement. Based on the facts in the survey, a minimum of ninety-six homes on the Settlement need to be built. The condition of most of these homes is deplorable; the exteriors of these homes are in a terrible state of decay.

Thirty-four percent of the houses on the Settlement have no insulation. Another forty percent have only partial insulation. Therefore, at least three-fourths of the Settlement homes are inadequately insulated. One-half of the homes have no central heating system. This means that fifty percent of the Settlement households must live through the winter with a heater or stove heat only. Fifty-three percent of the homes have no indoor plumbing. These households must rely on outdoor wells for their water needs. The average number of rooms per resi-

dence is four. This number includes the kitchen and bathroom, if they are present. The average number of household members if over four people. Taking these two averages (rooms and family members) into account, the overcrowded conditions of these Settlement homes are clearly evident.

Other figures relating to the economic status of the typical Settlement household show that twenty-one percent have washers and ten percent have dryers. Further, only sixty-two percent have telephones and ten percent have window air conditioners.

A need for Settlement housing exists also for members of the Tribe who are currently living near the Settlement. A number of households who live in surrounding areas of the Settlement or in other states, desire to move back onto the Settlement. Lack of available or suitable housing, however, prevents these people from moving back to their land.

IV. Projected Program

The following data is the proposed budget for this housing project. The data is based on the following factors:

1) Family size, both present and future.
2) Projected construction costs, including labor and materials, comparable with local costs.
3) Housing units needed, considering condition of existing housing, current residents on the Settlement, and members desiring residency on the Settlement.
4) Age of household members.
5) Length of time required for construction.

PRCJECT BUDGET

#Homes	#Bedrooms	Projected Cost Per Home (Est.)	Total Cost (Est.)
8	4(1½ baths)	$45,000	$ 360,000.00
18	3 (1 bath)	36,000	648,000.00
4	2 (1 bath)	32,000	128,000.00
		GRAND TOTAL:	$1,136,000.00

FUNDING

Special Appropriations - (Matching)

The Tribe hereby requests a Special Congressional Appropriation of $568,000.00 for FY 82 to assist the Tribe in meeting its most pressing need: Better housing for the Mesquakie people.

Tribal Funds - (Matching)

The Tribe, through the award of claims, has an investment program which has an interest return of approximately $200,000 per annum. This

is the only resource the Tribe has for income. The interest must be programmed to meet the programs and operational costs of all Tribal operations. The principle cannot be utilized since this will diminish the projected yearly income derived from this source.

The Tribe will negotiate a ten year loan from some source (FHA-Indian Programs) to fund its matching half of the proposed construction of the thirty houses. (Exhibit I)

IV

PROJECTED RESOURCES

Community Development Block Grants

The Tribe will develope a proposal to the 5th Regional District, Chicago, Illinois, Community Development Block Grants, to fund a Housing Rehabilitation Program to repair and renovate fourteen (14) to sixteen (16) existing homes. The projected project cost is approximately $225,000.

The Tribe made an application for FY 81 funding cycle but was denied due to a grant of $300,000 to the Tribe for the construction of a Human Services Addition to the present Tribal Offices. (FY 79)

Our application will be given consideration for FY 82 but we are now in competition with all of the Northern as well as all Tribes east of Chicago Region. A small Tribe such as ours usually has small political impact for funding.

U.S. PUBLIC HEALTH

The Public Health Services, Indian Health Services, has assured the Tribe that it will construct a Community Sewage System consisting of mains and a sewage lagoon to meet the needs of 20 elderly apartment units and the addition of thirty (30) homes to the present water system.

The Tribe is considering the construction of a water tower to meet expanded needs of the housing program. The present system, ground level reservoir, is now progressing at its capacity 60 to 70 thousand gallons, serving thirty homes, school, Tribal Offices, and elderly and day care centers.

BUREAU OF INDIAN AFFAIRS

The Bureau has allocated funds for the construction and engineering of the present gravel road. $400,000 has been allocated (FY81) to rebuild the poor existing road. The projection is to rebuild the road this year and possibly pave the system in FY82.

V

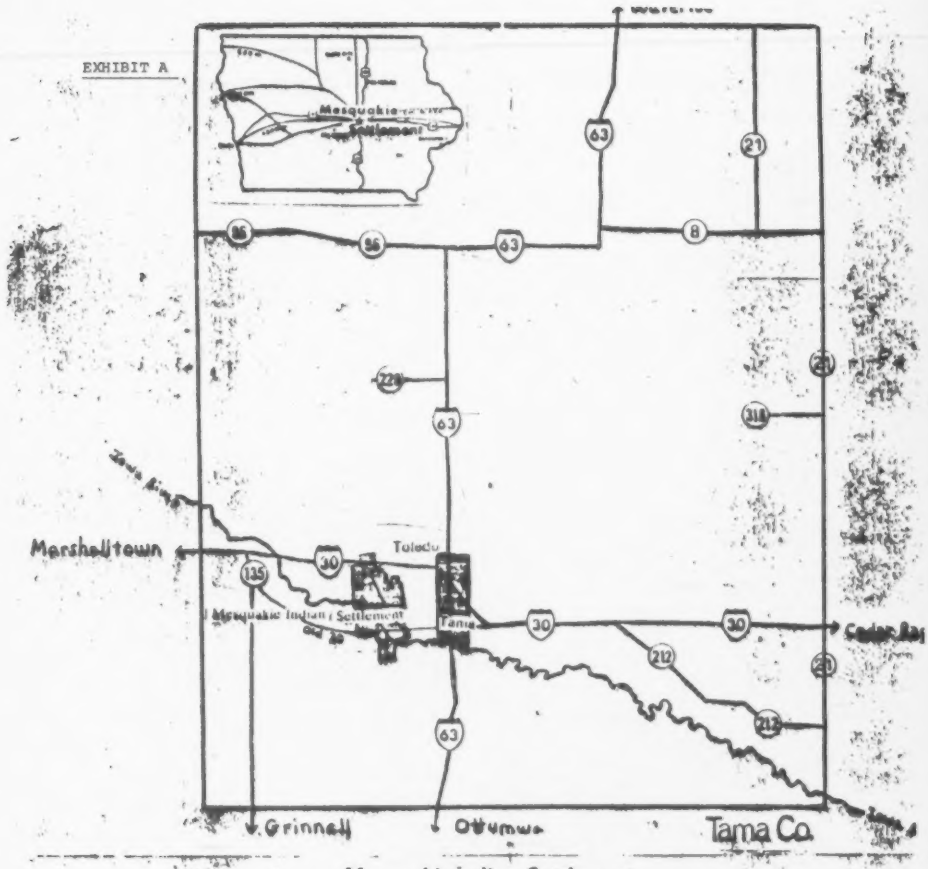
LOCAL IMPACT

The proposed construction project will impact the present economic situation of the surrounding community.

The Tribe will contract with local housing construction companies and materials are usually purchased locally.

Economic feasibility for the Tribe's future can be fully explored and developed. At this time, other pressing, humanistic needs, are being prioritized over economic development.

EXHIBIT A



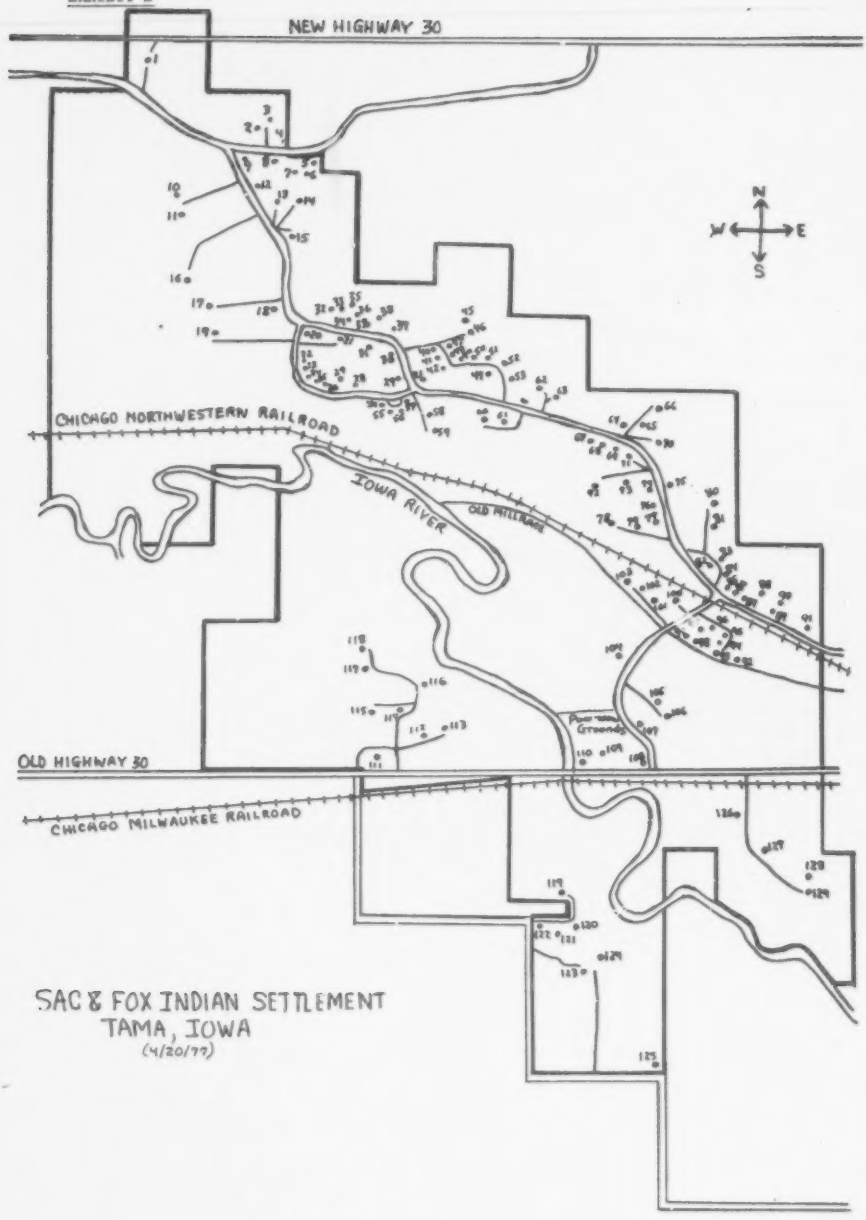
Mesquaki Indian Settlement

"Where East Meets West"

Three Miles West of

TAMA, IOWA

EXHIBIT B



SAC & FOX INDIAN SETTLEMENT
TAMA, IOWA
(4/20/77)

EXHIBIT C

SAC AND FOX OF THE MISSISSIPPI IN IOWA TRIBE
Route 2 - Box 56C
Tama, Iowa 52339

Eligibility Certification

COMMUNITY FOOD AND NUTRITION PROGRAM

I. Population

On Settlement

(1) Senior Citizens (60 years +)	52
(2) Residents (0-59)	488

Off Settlement

(1) All ages	228
ON-OFF SETTLEMENT - TOTAL POPULATION:	768

II. Social Welfare

1.	A.F.D.C. (54 families)	149
	Caretaker (Extended Family)	26
	Foster Care	4
2.	Indian Relief (DSS - 1978-79 (927)	
	(Average No. Assisted per month -	77)
	A. Family -	133
	B. Single -	21
3.	S.S.I. (13 families)	39
4.	Others: Pensioners - Veterans - Private	41
5.	On Income: Not eligible/borderline	81
	NO. ELIGIBLE FOR CFNP:	494

BUREAU OF CENSUS
WASHINGTON DC 20233

EXHIBIT D

Mailgram

4-293301 0331 614 11/26/80 ICS WAZ340[illegible] CLR
00630 MLTN VA 11/26/80

T.C. Pecka
Planning
Serv. Spvsr
Day Care
All Dept's
Org. Mgt. File (Cens)
Ex. Dir.

CHIEF
SAC & FOX TRIBAL COUNCIL
C/O SAC & FOX AREA FIELD OFF
BUREAU OF INDIAN AFFAIRS
TAMA IA 52339

REC'D NOV 26 1980 SAC & FOX TRIBE

12/1/80

DEAR LOCAL OFFICIAL:

THE BUREAU OF THE CENSUS THANKS YOU FOR YOUR COOPERATION WITH THE 1980 DECENNIAL CENSUS. THE FIELD OPERATIONS FOR YOUR JURISDICTION HAVE BEEN COMPLETED. THE PRELIMINARY POPULATION COUNT IS 517 AND THE PRELIMINARY HOUSING COUNT IS 114.

THESE ARE PRELIMINARY RESULTS WHICH WILL BE REPLACED LATER BY FINAL COUNTS. THE FINAL COUNTS TO BE SHOWN IN THE PRINTED REPORTS WILL HAVE UNDERGONE FURTHER PROCESSING AND REVIEW AND MAY DIFFER FROM THESE PRELIMINARY NUMBERS.

SINCERELY,

VINCENT P. BARABBA
DIRECTOR
BUREAU OF THE CENSUS

0313 EST

MGMCOMP MGM

EXHIBIT E

A. INDIAN CHILD WELFARE ACT OF 1978 (PL 95-608)

1.	Foster Care Cases	24
	(a) Indian homes	6
	(b) Non-Indian homes	18
2.	Foster Care cases pending	
	(a) In-State	13
	(b) Out-of-State	12
	TOTAL:	25
3.	Institutional: Child in Need of Assistance	5
	(a) Juvenile Home/Toledo	2
	(b) Pending	3
4.	Court Referral Cases	3
5.	Adoptive Cases	4

TOTAL CASES & PERSONS: (61 cases/75 children

B. TAMA COUNTY DEPARTMENT OF SOCIAL SERVICES CATEGORICAL ASSISTANCE/ INCOME MAINTENANCE: Benner. (December 18, 1980)

	Cases	Persons
1. ADC	54	151
SSI	16	16
TOTAL:	70	167

C. SAC & FOX INDIAN RELIEF PROGRAM/CHAPTER 249A, Code of Iowa, 1979. Number of Indians Receiving Assistance, July 1980 - January 1981

1.	Number of Cases (7 months)	
	(a) Family	230 cases
	(b) Individual	205 cases
	TOTAL:	435 cases
2.	Number of Persons (7 months)	
	(a) Family	927 persons
	(b) Individual	205 persons
		1132 persons
3.	Unemployed	82 persons
4.	Employable	55 persons

Average number of cases served/monthly: 62

Average number of persons served/monthly: 161

NEEDS ASSESSMENT:

There are 47 Native American Adults enrolled in an active program, dealing with substance abuse.

There are 15 young Native Americans, ranging from age 15 through 18 years, active in the program and this is only the tip of the ice berg.

I have been involved in the field of Substance Abuse for 8 years and recently became the Director of the above named program.

The needs are many and easily recognized. Some of the more important problem areas are as follows:

1.) Employment- lack of adequate employment opportunities.

2.) Housing- lack of adequate housing; sub-standard housing conditions.

3.) Education- some of the students are not aware of the educational opportunities that are available to them, for this reason many are deprived of continuing education.

4.) Recreation- inavailability of a comprehensive and continuing organized recreational program for adults and youth of the community.

5.) Community Health- More efficient health care services should be readily available through the provision of a out-patient medical clinic and efficient ambulance service.

In dealing with these people, I've learned Education and Prevention must be offered to the young people and some parenting classes should be made available to the adults. There are cases of child neglect where alcoholism is predominant and I'm of the opinion an important need would be a shelter house for the youth and young children. This would provide a place where youngsters could be placed here in their community instead of exposing these young people to surroundings that are completely foreign to their customs.

In doing some research on arrests - 90% are alcohol or drug related; 99% of all child neglect is alcohol related.

The average age of the adult alcoholic is 30 years old. The average age of the juvenile alcoholic is 17 years. However there are known cases of 13 year olds who are abusing alcohol or drugs with parental protection.

In the last 6 months, 5 deaths have been alcohol related.

There have been 8 emergency committals and 9 known voluntary committals in the past 12 months.

There have been 3 attempted suicides in the last year. These occurred while the person was intoxicated.

There has been one serious offense of Assault with Intent. All parties Involved were intoxicated and there was some drug involvement.

Once again I would like to stress this is just the tip of the Ice berg.

EXHIBIT I

PUBLIC NOTICE

February 2, 1981

Tribal Member
Mesquakie Settlement
R. R. #2
Tama, Iowa 52339

Dear Resident:

The following is submitted for your information and consideration as a voting member of our Tribe regarding a very serious problem confronting our people.

Community Problem
(Poor Housing)

I
Historical Background

Many of our existing homes were built more than thirty years ago when the people were given home building allotments through an annuity fund established by the Bureau of Indian Affairs. These allowances, or grants, enabled our people to build two to three room frame structures with concrete foundations. As you will notice, most of our homes are built this way. The structures were built by the grantee with assistance from carpenters hired at this time. This self-help program enabled our people to have frame dwellings which served them well for many years even to this day. The homes were simple but sufficient to meet the housing needs at the time. There were no insulation requirements, electrical wiring was not included since all burned kerosene lamps, and chimneys were built to accommodate the old pot bellied stoves we used many years. Most of us grew up in these old houses and, no doubt, have many fond memories about the good and bad times. There was no plumbing to consider since there was no sewage or water systems at the time. In the winter, the water buckets had ice in them in the mornings and one had to break the ice to get a cold drink of water. It took awhile to heat the homes on cold winter mornings when one walked around to start the heating and the cooking stove puffing white smoke until it got warm. Rabbits and biscuits were the best when cooked in the old wood stove.

Times and the housing needs have changed along with everything else. Presently, the homes have to be totally insulated, electrically wired, and water-sewage contained. Ventilation factors on critical heating systems are totally different resulting in our present homes being totally inadequate to meet the present housing needs.

II
The Problem

(A) 60 to 70 percent, more than half, of our homes are 30 years and older.

(B) Most were built with lumber frames and finishing which, over the years, have dried and deteriorated.

(C) Dryness of the present homes causes an extremely dangerous fire danger. Most homes would and will burn up in a matter of few minutes due to the dryness of the house. We have had some burn already and it was a matter of a few minutes before they were completely engulfed in flames and gone.

(D) The majority of our homes do not have water nor waste systems. In-door plumbing is non-existent.

(E) Because of the necessary requirement imposed by HUD housing development programs, enjoyed by other Tribes, and the nature of our land status, it is impossible to build houses through Federally subsidized programs. We could easily have 50 homes constructed immediately through the HUD programs but we would be enforced to make very serious accommodations and concessions.

(F) The BIA Housing Improvement Program (HIP) allocates a yearly sum which enables the Tribe to build only two houses a year. On an average, a home can be built for approximately $35,000 per unit. This year, the allocation is $85,000. This allows a complete construction of two houses and the beginning foundation for another. The cost is for supplies, materials, and Laborers.

(G) The selection of the two recipients for the two home construction has and is creating personal problems among the people. There are bad feelings among us which is not necessary since we are all one and should be working together to mutually solve a community problem. It is better to positively work towards a solution rather than negatively accusing and condemning one another for a problem we can solve if we all work together. Many years ago, people worked together to build the homes some of us now live in. Incidently, the people worked as one on building and improving the original road program. The men used teams of horses and buckets in the construction. We need to revitalize this spirit of working together to improve conditions for our people and community.

(H) There is an immediate need for at least 20 homes. Most of the old structures need to be replaced and new homes constructed for those in immediate need of a house. Present request lists indicate the need for more than thirty houses.

(I) Housing development plan needs to be developed. Because of our lack of space and the fact that homes cannot be built on the flood plain, a housing development area needs to be planned and developed. Homes will be constructed on a planned distribution as opposed to town or city type of layout. The plan would eliminate congested construction but planned on the respect for areas of privacy for neighboring premises. Water-Sewage capabilities will be a necessary part of the plan.

(J) Present land assignments will have to be changed and accommodations made for the housing development plan. The area selected must be totally commited to the plan which will include layouts for the houses, water mains, sewage mains, and roads through the housing area.

(K) Outside funding sources have not been available at this time. Various leads or sources have been explored for housing construction programs. None have proved to be available other than the HUD programs. Presently, we are pursuing the Community Development Block Grants (CDBG) for the renovation of the existing homes. Last year, we were denied even though we submitted a proposal for $275,000 grant. We were ineligible due to the fact that we received a $300,000 grant to construct the Human Services Addition to our Tribal Offices. This year, we are declared eligible again but not assured that we would get the funds for the homes rehabilitation program because we are now competing with the Tribes in the north and all of the east. Our central office for these programs has been changed to the Chicago Area from the Kansas City Regional Office We are competing against more tribes and more people. The Tribes with the most political influence will get the funds and this has normally been the Chippewas of the North.

III
The Solution

(A) Consider utilizing the interest, approximately $400,000 of the present Tribal Investments Program, to finance the construction of twenty homes at an average cost of $35,000 per unit. The yearly returns on the present investments is approximately $200,000 per annum. A loan could be established on a ten-year basis to finance a housing construction project. The Principal Investments would be identified as a collateral for the loan but could not be used in the financing of the project.

(B) Contract with a home building contractor. Many home contractors are desperate for work. Now is the time to contract at a good cost. Many will bid at cost just to keep their firms solvent. The better opportunity is here.

(C) Interest rates for loans are extremely high but many areas could be explored to implement a loan for or at a reasonable rate.

The material is for your consideration as it is being seriously considered by the Tribal Council. This is merely an informational phase. There are many possibilities to be discussed and considered prior to any implementation of this plan.

It is therefore requested that you approach a Council Member to give your thought about our situation. You may have a better solution to the problem and will be glad

to hear it. We have been dealing with this problem the last three years. Now is the time to do something about it.

IV
Planning

The Tribal Council, in a meeting held February 2, 1981, has decided to proceed with the preliminary planning of the Housing Development Program. In thirty (30) days from the date of this notice, March 4, 1981, and unless there is a petitioned referendum either for or against the project from the voting membership of the Tribe, the Tribal Council will proceed with the full implementation of the plan.

STATEMENT OF ROBERT CHASING HAWK, CHAIRMAN, THE CHEYENNE RIVER SIOUX TRIBE OF SOUTH DAKOTA

Mr. CUSHING [presiding]. Mr. Robert Chasing Hawk of the Cheyenne River Sioux Tribe.

Mr. CHASING HAWK. Mr. Chairman, my name is Robert Chasing Hawk, chairman of the Cheyenne River Sioux Tribe of South Dakota.

I respect Mr. Reagan's budget proposal, and I'm optimistic about the Reagan administration's economic development in the Indian reservations.

I'm here today to request your consideration of additional funding in the Bureau of Indian Affairs and the Indian Health Service budgets for Indian Health Service outpatient clinics. Our request for these items total $23,760,000.

Also, I'll be submitting additional materials to the committee during the period the record remains open, which is a request for certain activities carried on by the tribe.

Let me now turn to a review of our request for funds which are to rebuild our reservation road system. The figure here is $23 million. This request, in our minds, is completely justified. The Cheyenne River Reservation has been plagued with unsafe substandard roads for many years. Indeed, they've reached the point now where many of the roads are so inadequate that they pose a threat to our economy and our safety. Many other roads maintained for the Bureau of Indian Affairs fall into this category. They fail to meet each minimum Federal Highway Safety standard. The tribe has identified 230 miles of roads in need of repairing. The majority of them were access roads to the major roads which run through the reservation. They isolate residents from their schools, jobs, and markets.

The Bureau of Indian Affairs has indicated that our proposal would cost approximately $100,000 per mile as an average cost for such road construction in South Dakota.

I now would like to turn briefly to a discussion of our request for additional funding in the budget of the Indian Health Service.

At the present time our out-patient facility in South Dakota is mostly overloaded.

The quality of health care has suffered accordingly. In computing our needs in the most conservative fashion possible, many of us are in des-

parate need for the positions which are described in detail in the materials being submitted with this testimony. These additional positions would cost $267,854.

Our second request in the health care area is for $112,086, with which to hire five physicians assistants plus minimum support personnel who will give the tribe the capacity to carry out its responsibilities.

At present, the reservation is in poor condition, with great distances to the facilities and provision of service to all our tribe is impossible because of the distance and poor communication, an unemployment rate of 59 percent. Tribal members often will travel only to find that they cannot be seen that day. In addition, physician assistants can operate at the community level to alleviate these problems.

I'd like to thank you for your attention. I'd be happy to respond at this time to any questions the committee may have.

Mr. CUSHING. Thank you very much.

I have one question: Can you tell me when the road was built by the Corps?

Mr. CHASING HAWK. The road was built back in 1959 when the Oahe Dam was built.

Mr. CUSHING. Has there been any type of maintenance on the road at all?

Mr. CHASING HAWK. They put a hard-surface road in there about 6 years ago. But due to the lack of funding in the Bureau budget, maintenance on the roads have deteriorated, but now it's gravel again, and it's in that area.

Mr. CUSHING. Thank you very much.

[The statement follows:]

STATEMENT OF THE CHEYENNE RIVER SIOUX TRIBE OF SOUTH DAKOTA

Mr. Chairman and members of the Committee, I am Robert Chasing Hawk, Chairman of the Tribal Council of the Cheyenne River Sioux Tribe of South Dakota. I am here today to request your consideration of additional funding in the Bureau of Indian Affairs budget in two areas of utmost importance to the Tribe. They include additional funding for the rebuilding of reservation roads and for staff positions for our Indian Health Service Out-atient Clinic. Our request totals $23,760,133.20.

The Cheyenne River Sioux Reservation has been plagued by unsafe, sub-standard roads for many years. We have reached a point now where our roads are so inadequate that they pose a threat to our economy and our safety. Many of the roads maintained by the Bureau of Indian Affairs fall into this category. They fail to meet federal highway safety standards. It is these Bureau roads about which we are most concerned.

The attached materials detail road repairs that are the responsibility of the Bureau of Indian Affairs. The Tribe has identified 230 miles of roads in need of rebuilding. The majority of these roads are access roads to the major routes which run through the Reservation. These roads link isolated residents with their schools, jobs, and markets. Many of the routes are used by school buses to transport children to and from day-school.

The roads are, for the most part, gravel roads, while some are dirt roads. They currently do not drain properly, and in time of heavy rain they tend to flood, limiting access of the residents on these routes and causing automobile accidents. Some sections of road are so dangerous in their present state of disrepair that local Bureau officials have indicated that accident victims might be able to bring tort claims against the federal government as has been experienced on other reservations with similar road conditions.

The Tribe's request for $23,365,000 for road repairs is unquestionably large. We are not, however, requesting funds for the construction of super-highways on the reservation. All we are asking for is enough money to bring these roads up to federal safety tandards. Very few of these Bureau of Indian Affairs roads would be upgraded beyond gravel roads, and the funds would be spent on re-grading and re-graveling the roads. In some instances re-shaping will be necessary in order to eliminate dangerously steep slopes and curves. In other words, this is a bare-bones budget for reconstruction of our sub-standard roads. The Bureau's Cheyenne River Agency office has indicated that our proposal, which amounts to approximately $100,000 per mile, is an average cost for such road construction in South Dakota.

The bulk of our request involves the perimeter road system which surrounds the lake created by the Oahe Dam. This road system, which accounts for approximately 115 miles of the 230 miles in need of reconstruction, was originally built by the Army Corps of Engineers, but was turned over to the Bureau prior to completion. The perimeter system is now in a state of disrepair such that it does not meet Federal Highway Administration standards. If the Bureau brings the perimeter system up to federal standards, we have some assurances from the State that the perimeter system will be taken over by the State, thus eliminating future federal responsibility for repairs and upkeep.

I now would like to turn to a discussion of the additional funding which is needed for our Indian Health Service Out-patient Clinic. Our specific requests fall into two categories: (1) additional funding for staff positions at the Clinic facility itself, and (2) funding for staff to provide on-site health care in outlying Reservation communities.

The need for additional staff at our Clinic in Eagle Butte is caused by the almost verwhelming case load which simply cannot be adequately served by existing staff. Our funding requirements to solve this problem are described in detail in materials attached to this testimony, and total $267,854.20.

The necessity for additional funding to provide health care at the community level is attributable to a number of factors. The Cheyenne River Reservation comprises a very large area, covering approximately 1,300,000 acres. As a result of this vastness, several of the communities are 85 miles from the Reservation hospital located in Eagle Butte, South Dakota. Even in the best of weather, the roads leading to Eagle Butte are in poor condition, and in inclement weather they are almost impassable.

It is understandably difficult for patients to reach the hospital because of the distances and poor roads. Moreover, outlying districts have few telephones, so patients cannot check with the hospital before traveling to Eagle Butte for health care. To further complicate matters, many patients are without transportation, and need to hire someone to bring them into Eagle Butte. As a result of the foregoing, patients often travel to the hospital, and may not be seen because of patient overload. If they are nable to be seen that day, they must return again at a later date, thus adding a further drain on their already meager resources.

Because of the vast distances that must be traveled for health care, it is important to place as much health care service as possible in the outlying districts. In order to provide this health care, we are requesting funding for five Physican Assistants placed in the communities available on a daily basis, as well as minimal support staff which would be needed in Eagle Butte to sustain this effort. The total cost for providing these services is $112,086, and is broken down more specifically in materials attached to this testimony.

Finally, I would like to bring to the Committee's attention our request for funds with which to add a safety officer to the Indian Health Service staff in Eagle Butte. As you probably are aware, accidents represent one of the most pervasive killers of American Indians today. The Cheyenne River Reservation is no exception to this rule, and, indeed, statistics published in Selected Vital Statistics for Selected Indian Health Areas and Service Units (1972-1977) indicate that the Cheyenne River Sioux Tribe has an adjusted accident rate of 817.6/100,000. It has become increasingly important to the

Tribe to have an additional safety officer available to curtail these needless deaths. We hope the Committee will assist our efforts by appropriating the additional $15,193 needed to hire a safety officer.

APPENDIX A

RESOLUTION NO. 258-80-CR

WHEREAS, the Cheyenne River Sioux Tribe of South Dakota is an unincorporated Tribe of Indians, having accepted the provisions of the Act of June 18, 1934, (48 Stat. 984), and

WHEREAS, the tribe, in order to establish its tribal organization; to conserve its tribal property; to develop its common resources; and to promote the general welfare of its people, has ordained and established a Constitution and By-Laws, and

WHEREAS, the Cheyenne River Reservation Road System is vital to the general welfare of the public, and

WHEREAS, the Road System is in need of specific repairs to sections that are becoming hazardous to travel on, and

WHEREAS, these repairs are as follows:

Route No. & Section	Repairs	Cost Estimate
6-10, 20	Complete Rebuilding	$ 1,900,000.00
19-10	Base & Surface Repair	300,000.00
8-120,130,150,160,170	Base & Surface Repair	2,500,000.00
4-100,120-140	Ditch Repairs, Gravel Resurfacing	450,000.00
8-10,30	Surface Repair	1,250,000.00
8-170,190,210,230	Sufacing	15,015,000.00
8-90,110,120	Surface Repair	975,000.00
803-10	Base & Surfacing	475,000.00
	TOTAL	$ 23,365,000.00

and

WHEREAS, the Cheyenne River Sioux Tribe believes that it would be in the best interest of the Bureau of Indian Affairs and the Tribe to effect these repairs as soon as possible, now

THEREFORE BE IT RESOLVED, that the Cheyenne River Sioux Tribe hereby requests that the Bureau of Indian Affairs immediately seek to obtain additional funding necessary for the Cheyenne River Agency Roads Branch to effect these repairs.

CERTIFICATION

I, the undersigned, as Secretary of the Cheyenne River Sioux Tribe, certify that the Tribal Council is composed of fifteen (15) members, of whom 11, constituting a quorum were present at a meeting duly and specially called, noticed, convened and held this 14th day of October, 1980, special session; and that the foregoing resolution was duly adopted at such meeting by an affirmative vote of 11 for, 0 against, 0 not voting and 4 absent.

Arlene Thompson, Tribal Secretary
Cheyenne River Sioux Tribe

STATEMENTS OF ELAINE WALBROEK, DIRECTOR, MPH PROGRAM FOR AMERICAN INDIANS AND ALASKA NATIVES

ACCOMPANIED BY DENNIS MAGEE, ADVISORY BOARD MEMBER

Mr. CUSHING. You are Elaine Walbroek?

Ms. WALBROEK. Yes.

Mr. MAGEE. I'm Dennis Magee. I'm a member of the Board of the Master of Public Health Degree Programs for American Indians and Alaska natives. We're here today to concern ourselves with a budget cut for the funding of that program for American Indians who are going for a master's in public health. Many of those who do graduate go into community-based Indian health programs and for the U.S. Indian Health Service.

Somewhere along the line just recently, the U.S. Indian Health Service made a drastic cut in the funding of the program, and if I can turn this over to Elaine Walbroek, who is director of the program, she can more or less explain just what has happened.

We're very bewildered at this point as to why this is cut, because it's been traditional and always has been a point at issue with the U.S. Indian Health Service to encourage American Indians to get into health careers. All of a sudden, the loss of funds for this master's in public health program—with that, I'd like to turn it over to Elaine, director of the program.

Ms. WALBROEK. Thank you. I'm here representing the master of public health degree program for the University of California at Berkeley. I'm also speaking on behalf of the master of public health degree programs for American Indians at the University Schools of Public Health at the University of Hawaii, Oklahoma, and North Carolina, which four programs have had an extraordinary concern for Indian graduate education in public health and whose fiscal year 1980 funds will be terminated.

We're speaking today for two things—one, for fiscal year 1982 funds in the amount of $246,000 total for the four programs; second, for supplemental funds in the amount of $120,000 so that these programs can continue 6 to 8 months at least into fiscal year 1981.

What has happened—and I'm not really sure what the process of giving supplemental funds to the Indian Health Service so that they can make this award is—but the Berkeley program, which has been in existence 10 years, will expire in 6 weeks. The University of Hawaii's program will expire a month later, leaving us with 23 Indian students, only half of whom get Indian Health Service traineeships. I've got 23 Indian health students on the Berkeley campus today and 11 on the University of Hawaii. Even if there is no more money forthcoming, at least it is an inappropriate time, because it's in the middle of an academic year. We have something like 220 applications out which are coming in from Indian candidates over the country. These are in the process now and slated for next year for some preparatory programs which are in the works, and of course the program is being designed.

At the back of the testimony, you will see a listing of the students which have graduated from our program since 1971. We have 152 students in the program. Out of these 152 students, there's been a dropout rate of only 13 percent. Fifteen of the students have gone on to become

doctors in law, medical anthropology, and public policy and have gone on for their doctorates in public health. You can see at the back of the testimony how many have gone into the Indian Health Service.

We sincerely solicit your support for not only the money for fiscal year 1982, the same level of funding that was awarded in fiscal year 1980, but that the supplemental money be made available for all of our programs. I think it's very important that the four programs continue, because I'm not only speaking for Berkeley but the others. We've developed an informal consortium, and we have a referral of students going to the other schools, so that most students who qualify and who want to go to school in public health are not denied the opportunity. We have a joint workshop; we shared our resources, even to the extent of sharing curriculum, and of course relating to public health services to Indian people.

The letter from Dr. Emery Johnson which is attached indicates the reasons why the program was terminated. I can well understand the reason for terminating the programs that are not scholarship programs, because scholarship do have priority, I strongly feel, for Indian students across the country, but I also feel that if supplemental funds were made available, the programs which make it possible for them to go to school would not be terminated.

The particular hardship is on Berkeley because we only have 6 weeks to wind up the program which is involving a considerable number of students. I would only ask for directions from you as to what we can do.

Mr. CUSHING. Thank you very much. In that regard, the committee will be getting back to you once we've had a chance to run through this, as well as our other testimony. I do have one question.

I'm sorry that the lady who preceded me was much more familiar with the programs than am I, and I would like to know if you could tell me, what was the fiscal 1981 amount in the budget?

Ms. WALBROEK. $246,000. We're on fiscal year 1980 money right now. The fiscal year 1980 money expires at those indicated dates on the front page. There is no fiscal year 1981 money available, and we're asking that supplemental monies be made available for fiscal year 1981 to make it possible for the Indian Health Service to award these funds to the program. $120,000 is requested in supplemental funds for fiscal year 1981.

Mr. CUSHING. You say there were no funds in 1981?

Ms. WALBROEK. No; as you can see from the attached letter from Emery Johnson, which I just received 1 week ago, this gives us no time to wind down the program, saying that there are no 102 funds available. All of our programs are funded under section 102 of title I; therefore, when the present grant expires, there will be no fiscal year 1981 moneys available.

Mr. CUSHING. Thank you very much.

Ms. WALBROEK. Thank you.

[The statement follows:]

Statement of the Master of Public Health Degree Programs for American Indians and Alaska Natives

FUNDING REQUEST: FY 1982, $246,000 is requested for financial support for the Master of Public Health Degree Program for American Indians at the Schools of Public Health at the Universities of California, Berkeley; Hawaii, Oklahoma, and North Carolina. This is the same sum awarded for FY 1980 by Indian Health Service.

IN ADDITION, supplementary funds are requested for FY 1981 so that the above programs will not terminate. This FY 1981 supplemental request is in the amount of $120,000. It will provide continuation for the above programs for six to eight months from their current expiration dates, which are:

University of California, Berkeley	March 31, 1981
University of Hawaii	April 30, 1981
University of Oklahoma	June 30, 1981
University of North Carolina	June 30, 1981

It is hoped that Indian Health Service will reconsider its decision to terminate these programs so abruptly, as indicated in the attached letter.[1]

The first specific information that the programs would not be continued was received the week of February 8th. This creates a particular hardship on the programs at the University of California and the University of Hawaii whose grants both end in six weeks and ten weeks respectively; and both end in the middle of the Spring academic quarter. There are some 34 Indian students affected in the programs at these two Schools, where even though there will be IHS traineeships still available to them, there will be severe dislocation. Over half the Indian students at UC, Berkeley receive support from other than IHS traineeships, it might be noted. There is no way that these two programs can be appropriately phased out in the time remaining in the grant period.

At UC, Berkeley alone admission applications have been sent out in response to 220 requests from Indian applicants for Fall, 1981. The returned applications are currently being processed; also in process is the planning of the summer preparatory program; and the Indian focused course in community mental health; development of field training sites and student placements for summer and fall and most important the planning for financial support for incoming Indian students. At Hawaii, where there has been a particular receptivity to Indian students, inquiries and applications are increasing rapidly in the three years of the program's existence. They have 11 students currently on campus who need the kind of social, academic supports that program provides.

The hardship on the students in the MPH Programs at the Universities of Oklahoma and North Carolina would be equally great particularly with reference to potential applicants. Though their students are drawn from over the country, Oklahoma serves the extremely large Indian population in the central part of our country; and a large portion of its 44 graduates have gone to Indian Health Service.

The program at the University of North Carolina is only two and one half years old; but it represents the efforts of a major and prestigious School of

1) All of the University programs come under 102 funding, and are currently supported under FY 1980 funds.

Public Health on the Altantic seaboard to encourage eastern Indians to graduate school. It is the only one in that area making a concerted effort to recruit and retain Indian students. To terminate that program would be a serious step backward in attempting to equalize training opportunities geographically for all of American's Indian people particularly those in the east who have so long been ignored.

All four schools have a close working relationships and there is a very real referral network of student applicants so that a maximum of qualified applicants can be admitted to a School of Public Health. Not only students but information on recruitment, course work, preparatory programs, community outreach is shared by this consortium.

PROGRAM JUSTIFICATION

There has been a steady increase in demand for professionally trained Indian people. Attached is a sample of just a few of the positions in Indian Health Service that have come over our desk in the past several weeks. These are representative of only a few geographic areas and is not attempting to be comprehensive. Our program receives letters and telephone inquires almost weekly regarding availability of our graduates for significant positions to work with Indian people primarily in IHS. Federal, state, county and municipal agencies have positions going begging for trained Indian professionals to work with the large Indian urban population.

There is a larger critical pool of college degree holders from which strong, graduate school candidates can be drawn. With the closure of these programs, there will be no advocacy programs for most of them for admission to graduate school, where there are attempts to relate curricula to specific Indian needs, where there is strong faculty interest in Indian community concerns, and encouragement to go back and work on the reservations.

Our Indian students are enrolled in public health disciplines such as health and hospital administration, public health policy and planning, health education, public health nutrition, epidemiology, biostatistics, biomedical laboratory sciences, environmental health, community mental health, behavioral sciences, and alcoholism studies and public health nursing. Most of those trained plan, organize for, develop or administer programs in which the doctor, the nurse, the dentist can function - without them there are no institutions or organized frameworks in which to work.

There are so many unfilled positions that demand Indian personnel, it would seem sad to bring to a stop the very programs which are responding to the demands. Essentially there can be no Indian self-determination without competent, trained Indian professionals administering their own programs.

CONCLUSION:

Recognizing that these programs serve all tribes and all Indian people we hope that the cut from Indian health manpower will be restored to the budget for FY 1982; and that from it $246,000 will be available to continue the programs at these four Schools of Public Health at the same level of funding; and that in addition supplemental funds of $120,000 will be available to carry them through the remaining months of FY 1981.

FEB 6 198

Elaine Walbroek
Director
MPH Program for American Indians
and Alaska Native
University of California, Berkeley
School of Public Health
Earl Warren Hall
Berkeley, California 94720

Dear Ms. Walbroek:

Thank you for your letter of January 19, concerning the status of the University of California, Berkeley P.L. 94-437, Title I, Section 102 Health Professions Recruitment Program Grant.

During FY 81, the PL 94-437, Title I budget was reduced by $1.1 million. The IHS was instructed by Congress to implement this new level of funding by reducing the Title I program effort by $1.0 million and by increasing the Indians Into Medicine (INMED) Program budget by $0.1 million.

The net effect of the Title I budget reduction is that Section 102, Health Professions Recruitment Programs will not be funded during this Fiscal Year (81). However, the financial support for students participating in the University of California, Berkeley will continue. Namely, tuition and fees for the students will continue to be paid to the University. Students will continue to receive stipend payments and other necessary expenses including support for books and tutorial services. Additionally, the students entitlement in the Extern Program, Section 105, will continue to be available for interested students.

Although, this is a difficult decision, the desire and will of Congress that the purpose of Title I be continued cannot be subverted. The purpose of Title I is to "augment the inadequate number of health professionals serving Indians and to remove the multiple barriers to the entrance of health professionals into the Service." Therefore, the Title 1 funding priorities during FY 81 are:

1. Continuing Section 104 Professional Students;
2. Section 103 Prepartory Students that have met their Preparatory requirements and will be continuing with Section 104 support;
3. Continuing Section 103 Students;
4. New Section 104 Students;
5. New Section 103 Students; and
6. Section 105 Extern Students.

The Scholarship Sections 103 and 104 have a direct impact and affect upon the meeting of Title I objective. Additionally, the entitlement of Section 105, Extern Program must be provided. Therefore, the only Section within Title I that the reductions can possibly be made is Section 102, Health Professions Recruitment Program.

Thank you for your interest and the service you and your staff have provided the Indian Health Service.

Sincerely yours,

Emery A. Johnson, M.D.
Assistant Surgeon General
Director, Indian Health Service

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MPH PROGRAM FOR AMERICAN INDIANS AND ALASKA NATIVES
SCHOOL OF PUBLIC HEALTH
UNIVERSITY OF CALIFORNIA
BERKELEY, CALIFORNIA

MPH STUDENTS BY TRIBAL REPRESENTATION

Apache	2 (1.3%)	Mohawk	2 (1.3%)
Arikara	2 (1.3%)	Navajo	20 (13.2%)
Assiniboine	1 (.7%)	Nez Perce	3 (2.0%)
Athabascan	1 (.7%)	Ojibwa	1 (.7%)
Blackfeet	5 (3.3%)	Omaha	1 (.7%)
Cayuga	1 (.7%)	Oneida	2 (1.3%)
Cherokee	5 (3.3%)	Osage	2 (1.3%)
Cheyenne	2 (1.3%)	Paiute	2 (1.3%)
Chickahominy	1 (.7%)	Papago	2 (1.3%)
Chippewa	15 (9.9%)	Pima	4 (2.6%)
Choctaw	2 (1.3%)	Pomo	2 (1.3%)
Chumash	1 (.7%)	Quechan	1 (.7%)
Comanche	1 (.7%)	Sac and Fox	1 (.7%)
Creek	8 (5.3%)	San Juan Pueblo	1 (.7%)
Eskimo	2 (1.3%)	Santa Clara Pueblo	1 (.7%)
Eyak	1 (.7%)	Santa Domingo Pueblo	1 (.7%)
Flathead	1 (.7%)	Seminole	2 (1.3%)
Gros Ventre	2 (1.3%)	Seneca	2 (1.3%)
Haida	1 (.7%)	Serrano	1 (.7%)
Hidatsa	1 (.7%)	Shawnee	2 (1.3%)
Hopi	2 (1.3%)	Shoshone	2 (1.3%)
Hualapai	2 (1.3%)	Sioux	12 (7.9%)
Iowa	1 (.7%)	Stockbridge-Munsee	1 (.7%)
Jemez Pueblo	1 (.7%)	Taos Pueblo	1 (.7%)
Kiowa	2 (1.3%)	Thlingit	2 (1.3%)
Laguna Pueblo	4 (2.6%)	Tuscarora	1 (.7%)
Luiseno	1 (.7%)	Wailaki	1 (.7%)
Lumbee	2 (1.3%)	Warm Springs	2 (1.3%)
Lummi	1 (.7%)	Washoe	1 (.7%)
Maidu/Miwok	1 (.7%)	Winnebago	2 (1.3%)
		Yakima	1 (.7%)

TOTAL TRIBES: 61

TOTAL STUDENTS: 152

MPH STUDENTS BY STATE REPRESENTATION

Arkansas	1 (.7%)	Nevada	5 (3.3%)
Alaska	7 (4.6%)	New Mexico	14 (9.2%)
Arizona	24 (16.0%)	New York	6 (3.9%)
California	13 (8.6%)	North Carolina	2 (1.3%)
Florida	1 (.7%)	North Dakota	10 (6.6%)
Idaho	3 (2.0%)	Oklahoma	21 (13.8%
Iowa	1 (.7%)	Oregon	2 (1.3%)
Kansas	1 (.7%)	South Dakota	11 (7.2%)
Michigan	2 (1.3%)	Utah	1 (.7%)
Minnesota	6 (3.9%)	Virginia	1 (.7%)
Mississippi	1 (.7%)	Washington	2 (1.3%)
Montana	11 (7.2%)	Wisconsin	4 (2.6%)
Nebraska	2 (1.3%)		

TOTAL STATES: 25

October 1980

STATEMENT OF BERTRAM HIRSCH ON BEHALF OF THE SISSETON-WAHPETON SIOUX TRIBE OF NORTHEAST SOUTH DAKOTA AT SISSETON, SOUTH DAKOTA

Mr. CUSHING. The Sisseton-Wahpeton Sioux Tribe is next.

Mr. HIRSCH. My name is Bertram Hirsch. I'm the general counsel to the Sisseton-Wahpeton Sioux Tribe. The Sisseton-Wahpeton Sioux Tribe is probably one of the only tribes to come before this hearing not to request an appropriation but to request some assistance in obtaining what the tribe feels is a vital policy change. The tribe thinks that the committee might be able to help out in accomplishing this.

Specifically, the change relates to the Indian Self-Determination Act and the way in which accounting procedures of the Department of the Interior operate. They operate in such a way—and I'll describe this for you in a second—they operate in such a way as to threaten the very integrity of the Indian Self-Determination Act. They operate in such a way that it may result, in about 2 years from now approximately, in most of the tribes of the United States having to abandon all contracts under the Indian Self-Determintion Act or else face bankruptcy.

What I mean specifically is this. The Congress every year in recent years has appropriated fund money called "Indian contract support" to pay for the indirect costs that tribal contractors face in operating Federal contracts. The way in which the Office of the Inspector General of the Department of the Interior audits tribes with regard to recovery of indirect cost funds is this. They establish an indirect cost overhead rate. It's supposed to be a negotiated overhead rate. It's not negotiated; it's dictated by the Office of the Inspector General.

If the tribe accepts the rate, the tribe is supposed to apply that rate against all Federal contracts and grants from whatever agency, whether it be from the Department of the Interior or any other Department of Government. The problem is that tribes do not recover the funds they're supposed to recover from agencies other than the Department of the Interior for the most part. There is some other recovery, but it's limited. Most of the other agencies do not have indirect costs, or for whatever reason they do not provide those indirect costs to the tribal contractors and grantees.

The result of this is simply that the Inspector General, when they audit tribal accounts, assumes that there has been a total 100 percent recovery from all Federal agencies from which the tribal contractor or grantee can possibly recover, even if there has not been a recovery. They base their accounting on what could have been recovered, a fictional recovery.

What this means in essence is this—that tribes get an underrecovery. They don't actually recover the real dollar costs that they have. They have an underrecovery in real cash dollars, but the accounting method that's used designates the recovery as an overrecovery, because it assumes that that there was this fictional recovery from all the agencies.

The upshot of it is that the tribes are then required to pay back to the U.S. Government this fictional overrecovery with dollars that they never received. The tribes are then put in a deficit situation.

The only tribes that have been able to successfully get out from under this burden are tribes who are able to put their own tribal dollars

into a subsidy to the Federal Government, and there are a few tribes—but you can count them on one hand—that have been able to subsidize the Federal Government.

Even assuming the appropriateness of that, the vast majority of tribes, including the Sisseton-Wahpeton Sioux Tribe, are not in a position to subsidize the Federal Government, and yet that's what they're being required to do. The accountants for the tribe indicate that if the tribe does that for another couple of fiscal years, they will go bankrupt. So will many other tribes around the country, the alternative being to abandon the Indian Self-Determination Act entirely.

So what the tribe is asking the committee to direct its attention to, if the committee would do so, is to investigate into the method of expenditure and accounting of Indian contract support funds and to maybe direct the Department of the Interior to assist tribes in recovering their actual indirect costs and not having a fictional recovery—overrecovery applies against the tribes.

I hope the committee can do something along those lines. I don't think it would require additional appropriation. It just requires a change in policy and a change in the way that the Interior Department uses and spends appropriated dollars.

There are a couple other points in our statement which I won't discuss; I'll leave it to the committee staff to review.

I would also like to have the opportunity to submit some supplemental statements of a descriptive nature on the indirect cost problem I've just outlined for you.

Mr. CUSHING. That will be fine. We'd be happy to receive that.

Mr. HIRSCH. Until what date do we have to submit that?

Mr. CUSHING. March 15.

Mr. HIRSCH. Thank you very much.

Mr. CUSHING. This is something within the jurisdiction of the committee, and we will take a look at that.

Mr. HIRSCH. I appreciate that very much.

[The statement follows:]

Statement of the Sisseton-Wahpeton Sioux Tribe

The Sisseton-Wahpeton Sioux Tribe of northeast South Dakota is pleased to have the opportunity of presenting testimony to the Committee, especially in regard to appropriations for the Bureau of Indian Affairs and the Indian Health Service.

Our concerns with regard to these two federal agencies stem from our position as a contractor of Bureau of Indian Affairs and Indian Health Service programs pursuant to authorities granted in Public Law 93-638. Our concerns are categorically organized as follows:

1. Payment of Indirect Costs by the Federal Government to Tribal governmental Contractors:

   Prior to the enactment of P.L. 93-638, the Sisseton-Wahpeton Sioux Tribe successfully negotiated Buy Indian Act contracts with the Bureau of Indian Affairs and Indian Health Service for the administration and implementation of Indian social, health, and other services, consistent with Tribally determined needs and objectives. We supported enactment of P.L. 93-638 as an Indian self-determination effort, having had previous experience in entering into a cooperative effort with the federal government in assuring the highest and best use of congressionally appropriated dollars by involving Tribal members in the delivery system for services. Previously, using the Buy Indian Act method of contracting, we sacrificed funds off the top of each contract so as to pay for administrative expenses, including financial accounting and procurement services. This cost assessment rarely exceeded twenty (20) percent of each contract.

   The advent of P.L. 93-638 contracting procedures implemented by the Bursau of Indian Affairs and Indian Health Service led us into the indirect cost method, then the Contract Support Fund issue, for which we were ill prepared to meet, much less comprehend. Soon we became involved in complex financial accounting battles between officials of the Interior Department's Office of Inspector General, our required and contracted for CPA firm(s), and Contracting officers in the Bureau of Indian Affairs and Indian Health Service. One year recently we testified before this Committee on behalf of increasing appropriations for indirect costs, only to find out later that our annual proposed indirect cost rate had been reduced by the Office of Inspector General by eleven (11) percent. At the current annual rate of indirect cost reduction of

rate, our contracting effort appears doomed to self-destruct within two fiscal years. Accordingly, our impression is that federal departmental regulatory requirements effectively can negate, impede, and prevent the carrying out of Public Laws, such as P.L. 93-638 contracting with Indian Tribes.

Hence, we would recommend that the Committee propose an amendment of P.L. 93-638 in such a way so as to clarify and simplify procedures for the establishing of indirect cost rates for Indian contractors that are fair and equitable not only to Tribes, but also to the Federal Government.

2. Economic and Enterprise Development Concerns:

The Sisseton Wahpeton Sioux Tribe consistently during the past decade has placed economic and enterprise development effort as its highest priority, specifically as a viable means of relieving our Tribal unemployment rate of 53%, discouraging a growing dependency on Federal programs for the making of a livelihood, and the reduction of attendant poverty symptoms which find expression in violence, discord, and social pathos. Unquestionably we have reaped the benefits of the Comprehensive Employment Training Act program, with yesteryear's trainees now performing as skilled tradesmen and public servants. We presently are confident that an accelerated federal intervention in encouraging industrial and commercial enterprise development on our reservation shall beneficially impact all citizens in northeast South Dakota.

The conviction that we express to this Committee amounts to a recommendation that federal departmental regulations for economic assistance be simplified. Further, we recommend federal incentives such as tax relief over a ten year period for industry and manufacturers who choose to invest industrial know-how, facilities, and equipment in Indian Country so as to off-set relocation and set-up costs. With regard to our Tribal land base, we assure the Committee that our utilization and management of this natural resource is a sacred and fiduciary responsibility that we have not only for ourselves but also for the land itself. We are not in a position, nor do we want to be in a position, to harass nor intimidate our County or State governments' tax systems. The productive agricultural use of our land resource can assure livelihoods to many Indian families in northeast South Dakota. Their wellbeing is foremost. Lastly, we are eager to participate in commercial enterprise on a competitive basis. Presently, our monetary cash flow fails to circulate in our communities. The outflow of dollars is exorbitant. The remedy that we propose, consistent

with the spirit of the Self-Determination Act consists of greater federal investment in Indian commercial retail facilities in Indian communities. Secondly, we propose federal intervention in requiring National Banks to involve Indian people in operating banking services, especially credit programs, on the reservation.

3. Funding Method for Tribe:

For the past decade, the Sisseton-Wahpeton Sioux Tribe has applied for federal grants from the several federal agencies other than the Bureau of Indian Affairs and Indian Health Service. Such grants include the provision of social and health services. In more cases than not funding was distributed to the States on a formula basis. State agencies have served as "pass-through" agencies for such programs.

Our position on this matter is that separate allocations ought to be made for the Tribes, thence direct funding from the administering federal agencies to the Tribes. The proposed procedure would alleviate conflicts between Tribal and State governments which exacerbate barriers for successful completion of services.

Mr. Chairman, we thank the Committee for providing us the opportunity of presenting our views.

STATEMENTS OF:
CHIEF ROBERT SATIACUM ON BEHALF OF THE PUYALLUP INDIAN NATION
DR. THOMAS CARPENTER ON BEHALF OF THE PUYALLUP INDIAN NATION

Mr. CUSHING. The Puyallup Indian Nation?

Dr. CARPENTER. This is Chief Satiacum.

Mr. CUSHING. How do you do? Welcome to the committee. It's nice to see somebody from the northwest, which is my home as well.

Chief SATIACUM. I would like to enter our statement for the record and some of those highlights we feel are vital to the Puyallup Nation. We feel that through our negotiations with the United States that there is an obligation by myself on behalf of my people to maintain the health standards. In the integrity of the United States, we look to you to help support us.

We do have grave needs, and we have an area that we feel is very important to the Northwest—the fact that we do have a location that was chosen by the Northwest people for health needs.

I have Thomas Carpenter with me today, who is our health director. Maybe he can relate some of the progress that we've been making recently.

Dr. CARPENTER. Yes, sir. The report that I submitted for your file is a rather extensive report on our health care programs. The Puyallup Nation was the first self-determination clinic in the United States under Public Law 93–638. We're proud of the accomplishments. It not only was a slightly different situation than existed in many cases, because there were no health care facilities operated by IHS and we built them from scratch into a major health care delivery system.

At present, we have a number of needs to expand on the services provided. On October 1, the Puyallup Nation recovered the grounds that are part of the reservation guaranteed by the Treaty of Medicine Creek known as Cushman Indian Hospital. It has a number of outlying buildings. On October 1, we moved our mental health program and established with our own resources an alcoholism treatment program. Currently there is no greater need in the health care field than for treatment facilities and prevention activities with the alcoholism problem.

We are currently operating in an experimental modality at about a quarter capacity using our own resources, and we would like to arrange for an influx of funds on a reimbursement basis to provide treatment.

The Puyallup Nation would also like to have some moneys added. As I'm sure you're aware, the Indian Health Service budget no longer includes the plethora of grant moneys to supplement contracts for development, expansion, and experiments. We would strongly support the inclusion of grant moneys for special projects, especially in the area of health care education and prevention. I think that those would be extremely cost-effective approaches to solving problems before they become problems.

In fact, one of our mottos is that "Caring is costly, but prevention is priceless." And it certainly can be a cost-effective approach.

In addition to taking over the old Cushman Hospital, we need to undertake a major planning and development site. Again, these moneys

are no longer available to Indian Health in the regular budget to utilize those facilities on the bais that they were originally intended, which is for the health care of Indians in the Pacific Northwest.

So those are the three monetary requests that we made here; not a significant amount, but certainly a worthwhile expansion of already-existing facilities and programs that are operating successfully under the governance and administration throughout the Nation.

Thank you.

Mr. CUSHING. Thank you very much.

Can you give me any idea of the types of additional services—or maybe I should say, just exactly what you're going to do with the requested appropriation in terms of construction of facilities, equipment, et cetera.

What are the specific needs in order of priority?

Dr. CARPENTER. OK. The No. 1 priority is for a reimbursement mechanism to provide alcoholism treatment. We have the facility; we already have it there. It holds 40 beds. Currently we have 10 people in there, utilizing the resources of the Puyallup Nation—not just for Puyallup tribal members, but for Indians from around the Northwest. We have over 200 referrals from other out-patient treatment programs around the State requesting that space be made available for them, but there's no funding. Basically, we have trouble from week to week meeting our food budget for the 10 people that are there.

A reasonable reimbursement formula, similar to what is used in other alcohol programs which have been unsuccessful with Indian people would enable us to operate in a rational way. In terms of the $190,000 we've asked for for planning and development programs for health care facilities, we've kind of grown in trailers and this, that, and the other thing, all over the place. Now we've been getting back on the Cushman grounds and some of the buildings there, some of which may be usable, some of which may not be usable. We don't have the engineering capacity to make the changes and do the planning and hiring the architects to come in. Our best estimate is, it would take $190,000 for a planning grant to plan for utilizing those facilities, perhaps putting up some others. We don't know the answers to that until we get somebody in to do it. Those kinds of moneys are not available anymore through IHS.

In terms of health education and prevention, I think certainly at least $120,000. Again, we have priorities. If somebody's sick, we need to cure his symptoms, at least on an immediate basis.

If we don't do that, we're at a loss. But funds for prevention and education are considered a luxury because there's no immediate benefit. How do you say how many kids didn't get sick because?

So, you know, a minor amount, say around $120,000 to hire a couple of health educators, to put a couple prevention programs into our school system, would probably result in a tremendous savings in expenditures for treatment down the road.

Thank you.

Mr. CUSHING. Thank you very much.

[The statement follows:]

Statement of the Puyallup Nation Health Authority

The Puyallup Indian Nation has existed since aboriginal times in the Puget Sound Region of the Pacific Northwest. Until the mid-1800's, we moved around an area of thousands of square miles, fishing in rivers so crowded with salmon a person could practically walk across the river. Commencement Bay was so deep that the first whites to sail into it spoke of bringing their ships right up to the shore and tying a rope around a tree, rather than dropping anchor. The region was heavily forested, people spoke of trees twenty feet in diameter.

Today the area has changed. Cities have replaced forests; industries have taken over the shore of Commencement Bay clogging it with piers and docks and pouring waste into the water and air; the fish population struggles to survive. Another change has occurred-most of the land, even on the reservation guaranteed to the Puyallup Nation by the 1854 Treaty of Medicine Creek is owned by non-Indians and Indian people no longer roam freely.

In exchange for the ancestral lands not reserved to the Puyallup Nation, the government of the United States promised health care services in perpetuity to the Puyallup Nation. The provision of health care services to the Puyallup Nation by the United States had known a long and varied history until the passage of Public Law 93-638 in 1975. Through a special line item appropriation by Congress, the United States and the Puyallup Nation established the Indian Community Clinic as the first self-determination health care program administered by an Indian Nation in the United States.

The Indian Community Clinic of the Puyallup Nation has grown, flourished, and overcome a host of problems over the past half decade as it was administered by the Puyallup Nation. Today, these early beginnings have blossomed into a comprehensive health care delivery system covering a wide variety of programs in health and human services. And yet, the appropriations to finance these vital services have not kept pace with inflation, despite the best efforts of IHS to give priority to self-determination programs. In addition, all of the grant money that was formerly available for special projects through IHS has disappeared.

The health and human services programs of the Puyallup Nation have represented a cost-effective approach to health care delivery systems. Making extensive use of a paraprofessional system to supplement professional providers on staff, our clinics and programs see more patients per day than the average clinic in the private sector while providing a higher quality of service than is usually seen in the public sector. In fact the only limitations on the amount of services offered and quality are the dollars in appropriations and the space to put them into effect. (Our dental clinic is second to none and yet has a waiting list almost one year long because of lack of space to expand.)

There are many resources for the needed funds already existing in various appropriations if only they were available to us through some reorganization of the allocation of health care dollars. Medicaid, for example, is appropriated to the state based on complex formulas which include Indians. But under the current system these dollars are extremely difficult to obtain for Indians. These dollars could be utilized on a far more cost effective basis if they were allocated directly to the self-determination Indian programs through the IHS budget. And this is only one of many areas for cost effective money management for health care dollars for Indians. In almost every area of health and human services there would be a greater translation of dollars to services if monies were appropriated directly to Indian Health Service instead of going through hundreds of federal agencies, each one taking a cut for administering the monies.

In other areas, with realistic appropriations, the Puyallup Nation could provide cost-effective programs and management to the delivery of services. According to our own studies, with a mere $120,000 in appropriations for health education and prevention, we would be able to free up twice that amount in treatment dollars. And yet while many of these dollars may be available through this agency and that, they are not available to us when lost in the private preserves of the federal bureaucracy.

Last October, the Cushman Indian Hospital was returned to the Puyallup Nation after a twenty year struggle. Today, the Puyallup Nation stands at a point in time dividing our past and our future. In our past, the Cushman hospital was the focus of health care for all Indians in the Pacific Northwest, but it was health care provided to us by others, in buildings designed by non-Indians to incarcerate Indians out of sight and out of mind while our bodies rotted, our teeth were pulled and our souls decayed with the social diseases of foreign cultures. Today the future can be ours together, combining our culture, traditions, and heritage with the best of a modern society that is rightfully ours in the building of a new health care complex on the Puyallup Nation's grounds.

While these buildings stand dungeon like after being gutted by the State of Washington as part of its prison system for two decades, the Puyallup Nation is not standing idly by. On our reservation since last October, we now operate a major mental health center for the Indians of Pierce County. In another structure the Puyallup Nation, through the use of its own efforts and resources, has started an inpatient alcoholism treatment center.

There is no health problem more debilitating for the Indian population than alcohol abuse, a problem that impacts 80% of the Indian community. Indians have not responded to the conventional treatment modalities of the non-Indian community. We currently are operating treatment services on an inpatient basis at 25% of the potential capacity of the facility without even knowing if the resources available will feed our ten patients from week to week. Hundreds of applications for admission pour in each month from other treatment centers and de-tox programs. And yet the funds to make such a program work do not follow as the bulk of treatment dollars are funneled and targeted through states to other local agencies. The Puyallup Nation could easily operate its alcohol program at capacity if treatment dollars were included in the Indian Health Service budget for a residential treatment center. We request that Indian Health Service's budget be increased by $320,000.00 to operate this vitally needed service for the Indian community. (The $320,000.00 represents 40 patients at $600.00 per month plus $32,000.00 in start up costs for the first year.)

Finally, we request that $190,000.00 be appropriated to IHS to finance a planning and development project by the Puyallup Nation for an Indian Health Care Complex. At present, the health and human service programs of the Puyallup Nation service more than 8,000 Indians in Pierce County. The Puyallup Reservation has traditionally been the center of health care for the entire region and there is no Indian hospital in the Pacific Northwest. As the first self-determination health program in the United States, the Puyallup Nation has demonstrated the management capability as well as the health care delivery capability to undertake not only the planning of such a project, but in the near future the construction and operation of a hospital, nursing home, elder's residence, alcohol and drug treatment facility and mental health facility to complement the various outpatient clinics already in service.

STATEMENT OF ROXANNA EMSLANDER, ON BEHALF OF MONTANA UNITED INDIAN ASSOCIATION

Mr. CUSHING. The Montana United Indian Association.

Welcome to the committee.

Ms. EMSLANDER. Thank you. My name is Roxy Emslander. I am here on behalf of the Montana United Indian Association.

The Montana United Indian Association is a consortium of eight Indian urban projects providing health and education programs for urban Indians in the State of Montana.

At the present time there are roughly 20,000 native Americans in the off-reservation areas in the State.

They have several concerns which I would like to address today regarding the funding allocations which have been provided to our State in the past.

The urban Indian projects in Montana have been in existence for about 3 years. For the past year we were funded for $442,000 to provide health care and legal care to eight urban areas in the State. Based on the utilization rates in the population of the State that has left very little money to provide the necessary health care.

Mr. CUSHING. That is statewide?

Ms. EMSLANDER. That is statewide, right.

We have eight areas: Billings, Helena, Anaconda. Of these areas we have four urban projects which have direct care services through clinic operations. They are in a phase III program and four operations, which are provided advocacy and referral services. Because of the amount of dollars that have been allocated they haven't been able to have clinic operations.

We would like to state for the record that we are in support of the Indian Health Care Association. We are requesting an appropriation of at least $14 million nationwide to supply necessary dollars for the urban projects.

In the State of Montana we looked at what we had available as far as funding and what the needs are. Our honest feeling, with the cost effective services that we have been providing, there is still a need for at least $800,000 in appropriation to cover the health care services.

We do not duplicate services in the urban area as some people are led to believe. We coordinate closely with the medical organization. We use the existing social service and health programs. We contract with local physicians in the urban areas rather than bringing in additional physicians and competing with the private enterprise.

The physicians are contracted with locally at an hourly rate to provide the services and clinics.

One of our main concerns in addition to allocation of the title V dollars for urban programs is the need nationwide as well as in the State of Montana to provide a line item budget for treatment of alcoholism among the native Americans. At the present time the only funding that is available for the urban projects in the state of Montana are two programs, one in Butte and one in Missoula, which are mature programs transmitted over through NIAAA and now are under IHS funding.

However, the funding is not enough to meet the needs. Alcoholism in the State of Montana is the No. 1 health and social problem. There is a

really strong need to in some way appropriate some dollars specifically for the treatment of alcoholism in the urban projects.

A third concern we have is in regard to health career recruitments programs. We were recently funded for the first time for a title I, section 102 health career recruitment program to encourage native American students to go into health career fields.

There is an indication that there is an excess of physicians and medical people expected by 1990 or the year 2000. Yet, nationwide, if you look at the statistics on the number of native Americans in the health field, they are so low—I believe at present there are less than 300 native American physicians in the United States. In the state of Montana there are no Indian physicians operating. We have two registered nurses available in the urban programs. In two of our urban programs we did not even have native American nurses apply for the program because there were not any in the state other than a couple on the reservation.

This is true throughout all the categories of the health field. There are not a lot of native Americans.

We stress the need for the continuation of this funding in order to get the students in the areas of the health fields that are necessary.

Mr. CUSHING. Thank you very much. Your statement will appear in the record in full.

I did have one question with respect to the alcoholism treatment facilities that you would like to see in the State. Is the cost of that included in the $800,000 figure that you suggested?

Ms. EMSLANDER. If we were allocated the full $800,000 we would be able to provide some kind of alcohol services through that appropriation. But it would be much more advantageous, we feel, nationwide to have a specific alcohol funding category.

Mr. CUSHING. In terms of priority, where does the alcohol treatment stand at least as far as the people you represent?

Ms. EMSLANDER. No. 1 alongside of health care. I think you have to have the two together. We have some health care dollars. We actually do not have any alcohol dollars. Alcoholism is the No. 1 field. But we can't drop everything else and only treat alcohol. So health care and alcohol together.

Mr. CUSHING. Thank you very much.

Ms. EMSLANDER. Thank you.

Ms. RICHARDSON. We will take a break for about 15 minutes.

[A brief recess was taken.]

[The statement follows:]

Statement of the Montana United Indian Association

The Montana United Indian Association (MUIA) is a consortium of eight Urban Indian Alliances serving the needs of the off-reservation Indian in the State of Montana. As a principal advocate for more than 20,000 Urban Indians in Montana, it is necessary to address several major concerns during the legislative hearings. Through your careful weighing of the facts, their validity, and the needs of continued and expanded federal funds to provide cost effective services, it is hoped that the continued austere budget limitations will not sacrifice the growth and needs of the Indian people.

The first concern which needs immediate attention of the committee is the responsibility of the Federal Government to the American Indian. In the Snyder Act of 1921, Congress delegated trust responsibilities to the Bureau of Indian Affairs (B.I.A.) to "expend such money as Congress may from time to time appropriate for the benefit, care, and assistance of the Indians throughout the United States." To this date, the B.I.A. has addressed the needs of the Indian but has specified criteria for eligibility only for the reservation Indian. An exception to this is that the funding of P.L. 96-608, The Indian Child Welfare Act, specified off-reservation Indian Organizations eligible for funding. Because the need exists for health and social service programs to reach a level of parity comparable to the non-Indian populations, we ask for consideration of appropriations for all areas of funding through the B.I.A. to include terminology for off-reservation eligibility criteria. Without including off-reservation eligibility the Federal Government cannot provide the linkages and services to the Indian people who reside off reservation during periods of transition while seeking employment and education in off-reservation areas. Until such time as the social service programs become fully accessible to the off-reservation Indian, the continuum of growth among the Indian population will be severed.

A second major concern is the increasing need for appropriations through the B.I.A. and/or I.H.S. to provide line item funding for alcoholism services. At the present time, Congress has not allocated specific funds to combat the number one problem of the Indian people. In the State of Montana, only two off-reservation programs receive funding for alcoholism services. The two programs are funded through I.H.S. funds transferred from N.I.A.A.A. It is imperative that I.H.S. funds be allocated to address the leading cause of other health and social problems. We ask that Congress give serious consideration to development of line item funding specifically to provide alcoholism prevention and treatment services. With such funding appropriated, the gamut of alcohol related accidents, incarcerations, family break-ups, and deaths will have a chance to be reduced and thereby improve the quality of life of the American Indian.

A third concern is requesting continued appropriations under P.L. 94-437, Title I, Section 102 to continue development and recruitment of American Indians into health careers. Over the past four years, the Urban programs have made significant strides in increasing the awareness for American Indian Health Professionals. Yet in the past six months the public has been being bombarded with media expressing an anticipated surplus of medical professionals in the United States. Statistics stated by National Medical Professions regarding a surplus of 70,000 physicians by 1990 fail to state that at present there are less than 300 Indian physicians in the entire Nation. In addition, if assistance in seeking a health career is not continued, chances are the Indian Student will not seek a field of medical practice because he cannot afford the education costs, he does not have the necessary science backgrounds and he does not have the necessary support systems to encourage continuation of his education. We urge that Congress examine the needs for addtional American Indian people to enter into health careers and appropriate such funds accordingly. If we are to improve the health status of the Indian population, we must jointly increase the awareness of health needs and provide training in health professions in order to develop medical self-sufficiency and transfer health education responsibilities to the Indian People.

Most important of the concerns expressed today is the need for continued and expanded appropriations for funding of off-reservation health programs through P.L. 96-537, Title V. We support the American Indian Health Care Association request for appropriations of at least 14 million to expand the cost effective services currently being provided through the present funding. In Montana, an allocation of less than $400,000 per fiscal year has provided services which include:

1) Development of 4 Urban Indian Patient Care Clinics. Through coordination with existing health services in the Urban areas a more cost effective health care program is being provided at a rate far below most health care programs.

2) Through expansion of advocacy roles, health education and preventative health care programs, the Indian family in the off-reservation areas in Montana has been able to assist himself in development of improved health care practices.

3) A major 5 year health care plan has been developed through which 8 off-reservation areas have been able to prioritize health care needs on limited funds.

4) Based on $400,000 per year and serving an estimated 62% of our population, an average cost of less than $35.00 per year per person has provided direct medical, dental and optometric services as well as health education, advocacy, assisted in transportation services, developed comprehensive health plans, and provided training for Indian people in the field of health care.

Though we have made significant accomplishments, we have only began to address the unmet health needs for the off-reservation Indians. In order to provide the necessary health care to the off-reservation population, additional funds are needed. Not only do the Urban areas show a need for health care funding, but also the rural areas. We ask that Congress provide appropriations in the amount of 3 million dollars to begin development of an accessible health care system for the Indian population in the sparsely populated rural areas of our Nation.

We estimate by allocating the sum of $800,000 for off-reservation programs in the State of Montana we will be able to more effectively serve the needs of the more than 20,000 American Indians in the climb for parity health care. For this investment it is estimated the return will supercede the initial costs through administration and management of coordinated health programs and improvement of the health care delivery system for the off-reservation Indian living in Montana.

STATEMENT OF TIMOTHY LOVE, GOVERNOR, PENOBSCOT NATION

Ms. RICHARDSON. Mr. Timothy Love, are you the chief witness?

Mr. LOVE. Yes.

Ms. RICHARDSON. You may proceed.

Mr. LOVE. Madam Chairperson, the Penobscot Nation is here today to request an increase to the Bureau of Indian Affairs' fiscal year 1982 budget, to increase the service level and to implement Public Law 96–420, the Maine Indian Claims Settlement Act of 1980, as it relates to the Penobscot Nation.

The Penobscots, having been federally recognized since 1977 and receiving the first allocation of BIA funds in fiscal year 1978, have never been properly funded.

The supporting material which we are submitting to the subcommittee staff will document the past occurrences which have denied the Penobscot Nation adequate funding to meet the Federal Government's self-determination commitment to Indian people.

For the record I will now summarize the history of the Penobscot Nation with the Bureau of Indian Affairs and the Office of Management and Budget and the Congress.

Subsequent to the court decision of December 23, 1975, affirming the trust relationship between the Penobscot Nation and the Federal Government, the Department of Interior, and BIA initiated the planning-budgeting process to establish budget appropriations for the nation.

Ms. RICHARDSON. Excuse me. Your full statement will be included in the record if you would just like to highlight your request.

Mr. LOVE. I have a two-page one. OK. I don't really intend to read the whole thing.

Ms. RICHARDSON. Fine.

Mr. LOVE. Of necessity, the State of Maine was included throughout the process to insure the provision of the full range of programs and services required by the nation without undue duplication of services.

Nonetheless, the Office of Management and Budget eliminated our budget request for a supplemental fiscal year 1977 appropriation and drastically reduced the budget amendment of fiscal year 1978.

In our presentations of the 3 previous years we have submitted letters and documentation regarding the OMB, Department of the Interior, and BIA on their budget activities and the action of each in regard to the Penobscot request.

In the past OMB based their actions upon their discussions with the State of Maine officials who had informed OMB that they, the State of Maine, were providing such services as housing repairs, road maintenance, school and related educational operations, general assistance and other social services.

The result of the OMB pass-back activities have severely hampered the tribes' efforts to initiate and maintain any momentum towards self-determination.

In addition, the rationale of preventing undue duplication of services has created an illusion in meeting the nation's needs to the full range of BIA's programs and services. Despite the BIA's determination of the nation's eligibility and need for the full range of Federal Indian programs and services, the Penobscots have been restricted to the mini-

mum level of funds and services. As such, our full budget requests have never been realized.

With the formulation of zero-based budgeting officially in 1980, the Penobscot Nation was locked into the inadequate funding implemented in fiscal year 1978. The recommended funding by the BIA for fiscal year 1978 was $4,195,500. OMB recommended the amount of $916,000 to Congress of which it appropriated $870,000. This amount, although appearing to represent a large sum, was further split between the Penobscot Nation and the Passamaquoddy Tribe, which consists of two tribes and three reservations.

In 1979 the State of Maine eliminated from the fiscal year 1980 budget all funds previously appropriated for the Penobscots. Although the amount was appropriated by the State of Maine to cover the period of July 1, 1980, to January 31, 1981, those funds have been expended and no additional funds will be allocated by the State of Maine.

The frustration of OMB cuts, the elimination of the State of Maine appropriation and the zero-based budgeting formula application to our already inadequate budget places an accumulation of pressure on the nation to meet minimum standards applicable to federally recognized tribes.

A matter which must be taken into consideration is Public Law 96–420, the Maine Indian Claims Settlement Act of 1980. Under terms of the settlement the Penobscots are to receive, through purchase, 150,000 acres of land. The increased reservation will require land, forest, water and wildlife management, protection, services, programs, et cetera.

There is no possible way for the nation to adequately meet the requirements of administering the additional 150,000 acres of land under its current budget.

As specified in Public Law 96–420, the Penobscot Nation is eligible to receive all the financial benefits which the United States provides to Indians to the same extent and subject to the same eligibility criteria generally applicable to Indians.

The act, Public Law 96–420, mandates the Bureau of Indian Affairs to provide the necessary services to the Penobscot Nation to meet our requirements under the self-determination policy of the Department of the Interior.

A minimal increase will not be sufficient for the Federal Government to fulfill its legal obligation to the Penobscots. The Congress should consider carefully the Penobscot Nation's request based on this statement and the supporting material.

We are certain, pending an in-depth review, that after 4 years of inadequate funding the Penobscot Nation will be brought to the level sufficient to meet its obligations to its members and the increased land base.

Thank you.

Ms. RICHARDSON. Thank you very much.

You had a figure of $4 million a couple of years ago. Do you have a figure for this year with your increased land base?

Mr. LOVE. It is on the third page of the supporting documents.

Ms. RICHARDSON. Eighteen million?

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Mr. LOVE. Yes; there are two figures.

Ms. RICHARDSON. A hundred and eight million?

[Laughter.]

Mr. LOVE. That would be nice.

Capital improvements are $4.5 million, with total services of $5.2 million.

Basically we are talking about three principles as far as the land base goes—forestry, real estate services and wildlife protection. I believe those are in the area of around $2 or $3 million.

Ms. RICHARDSON. OK. I will find out where that hundred and eight came from a little later on.

Thank you.

Mr. LOVE. Are there any more questions?

Ms. RICHARDSON. No. Thank you very much.

Mr. LOVE. Thank you very much.

[The statement follows:]

Statement of the Penobscot Nation

Mr. Chairman, the Penobscot Nation requests an increase to the Bureau of Indian Affairs (BIA), Fiscal Year 1982 budget to increase the service level and to implement Public Law 96-420, the Maine Indian Claims Settlement Act of 1980 as it relates to the Penobscot Nation. The Penobscots, having been federally recognized since 1977 and receiving the first allocation of BIA funds in FY '78, have never been properly funded. The supporting material which we are submitting to the Subcommittee staff, will document the past occurrences, which have denied the Penobscot Nation adequate funding to meet the federal governments self-determination commitment to Indian People.

For the record, I will now summarize the history of the Penobscot Nation with the Bureau of Indian Affairs (BIA) the Office of Management and Budget (OMB) and, the Congress.

Subsequent to the Court decision of December 23, 1975, affirming the trust relationship between the Penobscot Nation and the federal government the Department of Interior - BIA initiated a planning - budgeting process to establish budget appropriations for the Nation. Of necessity, the State of Maine was included throughout the process to insure the provision of the full range of program and services required by the Nation without undue duplication of services.

Nonetheless, the OMB elimanated our budget request for a supplemental FY 1977 appropriation and drastically reduced a budget amendment in FY 1978. In our presentations of the three previous years, we have submitted letters and other documentation regarding the OMB, Department of Interior and the BIA on their budget pass-back activity, and the action of each in regard to the Penobscot budget request. In the past, OMB based their actions upon their discussions with State of Maine officials who had informed OMB that they, the State of Maine were providing such services as housing repairs, road maintenance, school and related educational operations, general assistance and other social services. The result of the OMB pass-back activities have severly hampered the Tribes' efforts to initiate and maintain any momentum towards self-determination. In addition, the rationale of preventing undue duplication of services has created an illusion in meeting the Nations' needs to the full range of BIA's programs and services. Despite the BIA's determination of the Nation's eligibility and need for the full range of federal-Indian programs and services, the Penobscots' have been restricted to the minimum level of funds and services. As such, our full budget requests have never been realized.

With the formulation of zero-based budgeting in FY 1980, the Penobscot Nation was locked into the inadequate funding implemented in FY 1978. The recommended funding by BIA in FY 1978 was, $4,195,500. OMB recommended the amount of $916,000 to Congress, which appropriated $870,000. This amount, although appearing to represent a large sum, was further split between the Penobscot Nation and Passamaquoddy Tribe, which consists of two tribes and three reservations.

In 1979, the State of Maine eliminated from the FY 1980 budget all funds previously appropriated for the Penobscots. Although an amount was appropriated by the State of Maine to cover the period of July 1, 1980 to January 31, 1981 those funds have been expended and no additional funds will be allocated by the State of Maine.

The frustration of OMB cuts, the elimination of the State of Maine appropriation and the zero based budgeting formula application to our already inadequate budgets, places an accumulation of pressure on the Nation to meet minimum standards applicable to federally recognized Tribes. A matter which must be taken into consideration in our funding request, is Public Law 96-420, the Maine Indian Claims Settlement Act of 1980. Under terms of the settlement the Penobscots are to receive, through purchase, 150,000 acres of land. The increased reservation will require land, forest, water and wildlife management, protection, services, programs, etc. There is no possible way for the Nation to adequately meet the requirements of administering the additional 150,000 acres of land on its current budget. As specified

in P.L. 96-420, the Penobscot Nation is eligible to receive all of the financial benefits which the United States provides to Indians, to the same extent and subject to the same eligibility criteria generally applicable to Indians. The act, P.L. 96-420, mandates the BIA to provide the necessary services to the Penobscot Nation, to meet our requirements under the self-determination policy of the Department of the Interior.

A minimal increase will not be sufficient for the federal government to fulfill its legal obligation to the Penobscots. The Congress should consider carefully the Penobscot Nations request based on this statement and the supporting material.

We are certain, pending an in-depth review that after four years of inadequate funding, that the Penobscot Nation will be brought to the level sufficient to meet its obligations to its members and the increased land base. Thank you.

APPROPRIATION REQUEST

SUMMARY

FY 1982

		FY 1982 FUNDING	FY 1982 APPROPRIATIONS REQUEST
1.	Education - School	$ -0-	$3,013,125
2.	Forestry	62,000	335,360
3.	Other Rights Protection	-0-	317,800
4.	Real Estate Services	111,378	1,006,465
4.	Water Resources	-0-	449,210
6.	Social Services	191,900	484,879
7.	Law and Order Services	153,900	219,960
8.	Wildlife and Parks	91,500	300,125
9.	Tribal Court	73,504	108,000
10.	Road Maintenance	-0-	1,634,394
11.	Employment Development	126,500	272,520
12.	Housing Services	35,300	132,977
13.	Road Construction	-0-	1,000,000
14.	Treatment Plant Improvement.	-0-	500,000
TOTALS		$845,982	$9,774,815

TOTAL CAPITAL IMPROVEMENTS	$4,513,125
TOTAL SERVICES	$5,261,690

STATEMENT OF SHIRLEY M. REED, HEALTH PLANNER, SALT LAKE INDIAN HEALTH CENTER, INC.

Ms. RICHARDSON. Salt Lake Indian Health Center, Inc., Shirley Reed.

Ms. REED. I am a Uintah Ute from eastern Utah. I am the health planner for the Salt Lake Indian Health Center, which is an urban project. When Congress appropriated the money under the Health Care Improvement Act I am sure they were quite aware that many of the people going into the urban areas from the reservations are not eligible for contract services. So the purpose of title V, I think, was to provide some type of mechanism for those urban people to get into health centers for their health care.

What we found there are 10,000 Indian people in the Salt Lake area. Just a handful ever filter into those health agencies. Our center itself services 400 people. I am sure that could quadruple if we had the manpower and other ways to provide services to them.

Our budget is $145,000 per year, which is just rock bottom. We are able to provide some limited health care services because we do have health professionals in the area that volunteer their time to the center. We are very fortunate in Utah to have a lot of State support. The Utah State Health Department and the Salt Lake County Health Department are very supportive of our center. It is through contact of having them that we have been able to have people volunteer their services. For example, Dr. Richard Johns, who is director of the community health service for the State of Utah, volunteers his time a half day per month for primary care. Dr. Harry Gibbons, who is director of the county health department volunteers his time on a half day per month.

It is time we got gack to what we were trained to do instead of all this paper work. We are very appreciative of that, but it is simply not enough. We are very concerned. We know this is a time of budget cuts. We realize that we are all going to have to be responsible enough to assume some of that. But I think that Reagan in his statement last night indicated that those people who are truly needy need not fear the budget cuts.

I respectfully suggest that the American Indian people head the list of the truly needy. Their health status is still far below that of the general population. Our infant mortality rate is still very high. Our life expectancy is still far below that of the general population. So we urge that the appropriation level be at least maintained if nothing else.

We have some services that are also offered. I would like to share with you just a couple of examples of what happens to urban people when they come to the city.

We had a lady that came to our clinic last week. Her name is Mayme. I have this example here before you. She doesn't speak English. We have reason to believe that she is very seriously ill, but she does not want to see a physician because she believes that if she sees a doctor that means hospitalization. That leads to surgery and ultimately death.

Our outreach workers are able to visit a person like this, are able to talk in her own language. Eventually we will bring her into our center where she can see other Indian people, other staff people who can talk with her and explain what will happen to her and even go with her to

visit the physician for the first time. And she will eventually come to know that she can trust—it doesn't necessary mean death. Rather it could mean restoring her to good health that she has never known before.

One of the things that we are really concerned about in Salt Lake, we are mainly on a referral system right now. We are mainly referring people to other agencies, but even at that they will come to the clinic for services, but they have a real fear of going to other agencies for services.

I think it is going to be a matter and a requirement of time, a matter of educating people, of matter of bringing them to a point. In many of the cities the urban people are fairly aculturated in many instances. That is not true in Salt Lake.

We have 4,000 Navajo people. Most of those come directly to us from the reservation areas. They just do not have time to make the adjustments.

I thank you for your time.

I really urge you to do whatever you can to keep the appropriations at the $8.9 million that it was last year. I know we asked for $8 million and you increased it by $900,000. It indicates real concern and understanding.

Thank you.

Ms. RICHARDSON. I will pass the message on.

We will break for a few more minutes, if there is no one else here to testify.

[A brief recess was taken.]

[The statement follows:]

STATEMENT OF THE SALT LAKE INDIAN HEALTH CENTER, INC.

My name is Shirley M. Reed. I am Uintah Ute from the Uintah and Ouray Agency in eastern Utah now residing in Salt Lake City. I am the health planner for the Salt Lake Indian Health Center.

I would like to share with you some of the center's accomplishments over the past year, and some of the center's plans for the future. At present the Salt Lake Indian Health Center is primarily a referral program that provides assistance to urban Indians in locating and gaining access to local health care service agencies. However, the center is also providing limited direct medical care. For example, the center has a WIC program, a food and nutrition program, a blood pressure screening clinic, a vision screening clinic, a podiatry clinic, a cervical cancer screening clinic, an immunization clinic, and a tuberculosis screening clinic. Other services that are provided include prenatal classes, weight reduction classes, referrals to local health resources, transportation for emergency medical needs, home visits to the elderly and/or handicapped, home visits to those people who may need some type of follow up. The Salt Lake Indian Health Center now services 400 people per month but that client load could be quadrupled if we had the necessary manpower to expand the program.

Although the center's only funding source at present is Indian Health Service, the administrative staff at the Salt Lake Indian Health Center believes that health care for urban Indians is a shared responsibility involving Federal, State, county, city, and perhaps even some tribal governments. We are, therefore, making every effort to tap these resources and find some way of supplementing the Federal moneys that the center receives.

The Salt Lake Indian Health Center is grateful that there are key people in the State of Utah that recognize the importance of providing needed health care to urban Indians. And the State and county/city health departments have been very supportive of the center's efforts. There is no monetary support at this time, but we remain hopeful that there will be future consideration for State appropriations. We are negotiating with

the State right now, attempting to contract for WIC moneys. Contracting directly with the State will significantly improve the center's effectiveness by freeing Indian Health Service moneys, now being used for the WIC program. to provide additional services and to strengthen the administrative management of the center. The Salt Lake Indian Health Center is able to provide some limited primary care services because of its utilization of volunteer health professionals in the Salt Lake area.

For example, a podiatrist holds a clinic one-half day per month, an optometrist will begin an eye clinic 1 day per month. Dr. Richard Johns, director of the Utah Community Health Department will be volunteering his time one-half day per month for primary care. Dr. Harry Gibbons, director of the Utah County/City Health Department will be volunteering his time one-half day per month for primary care. We are presently exploring volunteer dental services.

The Salt Lake Indian Health Center is well aware that utilizing local volunteers maximizes the efficiency of the moneys received from Indian Health Service. While these are noble gestures, and while the Salt Lake Indian Health Center is deeply grateful, it simply is not enough. There are 10,000 American Indian people living along the Wasatch Front and only a handful are ever seen at the health agencies in that area. It is a statement, loud and clear, that not enough is being done.

Let me share a couple of situations with you that is typical of the daily problems that we encounter. Mayme is 67 years old. She is Navajo and she does not speak English very well. We have reason to believe that she is very seriously ill, but she refuses to see a physician. Mayme believes that to see a physician means certain hospitalization, which leads to surgery and ultimately, death. Given enough time one of the Community Health Representatives from the center would be able to bring Mayme into our clinic. She would be able to speak with people in her own language and they could explain the process to her. They would be with her when she visits the physician for the first time. She would come to know that she would be properly cared for.

Jon is a 20-year old, Navajo boy from Arizona who came to Salt Lake to attend a vocational school. After completing his training he found employment and decided to stay in the Salt Lake area. Jon contacted the center because he has a dental problem. His teeth protrude in such a way that it causes one to think that he has a facial deformity. He has always felt that he was ugly and he felt that he was never able to keep a girlfriend because of his teeth. His insurance at his place of employment would pay $600 for repair work but Jon knew that it would not be enough. He wanted to know if we could help. Through the Community Services Council in Salt Lake we have located a volunteer dentist that will provide all the services that are required to give Jon the smile that he has always wanted, and for the fee of $600. These are two examples of cases that came through the center just last week.

I would like to say that it is essential that the Salt Lake Indian Health Center continue to serve the urban Indian people in the Salt Lake area. The Salt Lake Indian Health Center strongly urges you to maintain the $8.90 million appropriation for title V of Public Law 94-437, as requested by Indian Health Service. The appropriation will allow for the growth and development of urban Indian Health Centers all across this country. It is necessary if American Indians are to have the kind of health care, and eventually the kind of health status that was intended by the passage of Public Law 94-437.

STATEMENT OF NORMAN WILSON, PRESIDENT, ROSEBUD SIOUX TRIBE OF SOUTH DAKOTA, CHAIRMAN, UNITED SIOUX TRIBES, INC.

Ms. RICHARDSON. Rosebud Sioux Tribe.

Mr. WILSON. Madam Chairperson, my name is Norman Wilson, president of the Rosebud Sioux Tribe. In addition, I also serve as chairman of the United Sioux Tribes, which are in North Dakota, South Dakota, and Nebraska.

I am here speaking on behalf of my own tribe today.

Basically I have about six things I would like to address.

No. 1, we would like to have a new hospital constructed in our reservation. I am speaking not just as a small reservation hospital; I am speaking for a regional type hospital.

Ms. RICHARDSON. A referral center?

Mr. WILSON. Other reservations within that area could be referred to us. We have already laid the ground work, developed an agreement with the University of South Dakota Medical School, the Creighton University. From this we hope to derive specialist doctors and also interns that can come up and work for us and with us.

We could have the necessary specialized treatment center still needed out in that area. I am speaking of a cardiac unit, a diabetic unit, a dialysis, drugs, all these things we could have.

I speak not only just in serving Indian people. It would also be looking in the area of serving the public.

Some time back the Rosebud Sioux Tribe has been allocated $700,000 for planning funds. At a later date is was withdrawn and reprogramed by the Indian Health Service. I would like to have the restoration of those funds for planning and design.

Ms. RICHARDSON. Why was it withdrawn? Did they say it was low priority?

Mr. WILSON. I think that was the primary reason.

Something that we are looking at is drawing the design and then looking to private sources for the construction of this hospital.

Ms. RICHARDSON. Really?

Mr. WILSON. Yes.

Speaking in the area of health, I am not an advocate of the Indian Health Service. I would like to see the Indian Health Service abolished and that function be again returned to the Bureau of Indian Affairs thereby reducing a lot of bureaucracy and more health dollars would get to our people.

Also, in the area of the Bureau of Indian Affairs, I would like to see the elimination of area offices. For example, more direct communication between the central office and the reservations. I can justify this by the fact that 70 percent, approximately, of the budgets go for administrative purposes in the Bureau, 30 percent gets out to the reservations. So you can see a considserable cut there.

I would like to speak also on behalf of funding, continued funding, for Indian people in community colleges. Specifically, we have a college on Rosebud. One man that was accompanying me couldn't catch up with me to this meeting. He had more figures and what have you. But I would like to speak on behalf of the experience of tremendous problems of getting funded at one particular time and the demand analysis.

The tribe lost $358,000. This was all money which they contributed or was received by the tribe and passed on to the college. This was removed by the Bureau of Indian Affairs. Desperate attempts to get that replaced.

Ms. RICHARDSON. Once they started getting the funding directly under the Tribal Control of Community College Act? Was that what caused the change?

Mr. WILSON. Yes; we have within the budget funding for the construction of a jail facility, a holding facility. I would like to see that this stays within the budget. We desperately need that.

I spoke already about the restructuring or complete abolishing of the Indian Health Service. I also spoke on restructuring of the BIA and pos-

sibly the completely abolishment of the area offices. I support Secretary Watt's and also President Reagan's plan of the block grant system. I am totally in support of that.

In that way the tribes will be able to administer the funds, set their priorities, examine their programs, put the money where it is needed most.

I have with me today Clarence Guy who is the executive director of the United Sioux Tribes operation.

Do you have anything to say at this time?

Mr. GUY. I just have a resolution that was passed. I would like to have it submitted.

Ms. RICHARDSON. It will be accepted.

Mr. GUY. That is all.

Mr. WILSON. Madam Chairperson, thank you for your time.

Ms. RICHARDSON. Thank you.

[The information follows:]

UNITED SIOUX TRIBES
RESOLUTION NO._____

WHEREAS, the United Sioux Tribes of South Dakota was established on March 25, 1963, to provide a forum from which the Great Sioux Nation could speak with one voice on matters that touch and concern all Sioux Tribes; and

WHEREAS there exists a demonstrated need for higher education services to be delivered on Indian reservations as an alternate to Indian people being forced to leave the reservation to acquire higher education; and

WHEREAS, there is clear agreement among the Congress, the National Indian organizations, the Tribes, and Indian people that such services be subject to local control; and

WHEREAS, a major problem in the delivery of these and other services on Indian reservations has been caused by conflicting and arbitrary federal requirements entailing the creation by the Tribes of public agencies, non-profit corporations, governing or advisory boards and other institutions foreign to our traditional forms of Government, such requirements have made it very difficult for Tribes to develop efficient and effective management and delivery mechanisms which fit into tribal concepts of government; and

WHEREAS, while the Indian Tribes themselves recognize the need for the creation of sophisticated management and delivery systems for reservation programs, which may lead to the creation of special public or private agencies; they also recognize that there are a wide range of options which can be used by tribal governments to balance the need for coordination of programs with the need for individually tailored delivery systems, including careful delineation of authorities and responsibilities of the public and private agencies and organizations created by the Tribes; specific reporting and coordination mechanism supplemented by the authority of the Office of Management and Budget's Circular A-95, and other mechanisms which fit the particular organization of each tribe; and

WHEREAS, Congress enacted legislation, S.1215, (the Tribally-Controlled Community College Assistance Act of 1978) to provide for grants to Tribally Controlled Community Colleges; and

WHEREAS, President Carter, on October 16, 1978, signed into law S.1215 P. L. 95-471), the "Tribally-Controlled Community College Assistance Act of 1978"; and

WHEREAS, the authorization under P. L. 95-471 expires at the end of fiscal year 1982 and no provision has been made to provide financial support to the Tribally-Controlled Community Colleges byond FY '82; and

WHEREAS, it is the policy of the Federal Government to assist Tribes and Alaskan Native entities in their planning, designing, construction, operation, and maintenance of Tribally-Controlled Community Colleges, consistent with all legislation; and

WHEREAS, the United Sioux Tribes supports the development of Tribally Controlled Community Colleges, as well as other tribal institutions for the benefit of Indian postsecondary education.

NOW THEREFORE BE IT RESOLVED: that the United Sioux Tribes strongly urges and supports federal assistance to reservation-based and tribally-controlled higher education programs; and

BE IT FURTHER RESOLVED: that the United Sioux Tribes strongly supports tribal efforts to create community colleges as a vehicle for the delivery of higher education services and recognizes the importance of the stability of these tribal institutions; and

BE IT FURTHER RESOLVED: that the following statement of policy shall be the position of the United Sioux Tribes.

While the United Sioux Tribes supports tribal institutions, they also urge the U. S. Congress to make assistance available to all tribal higher education institutions regardless of whether or not the Tribe has chosen to utilize a separately chartered or approved institution of higher education, such as community colleges and that funding for postsecondary educational institutions, upon request of the Tribe, shall go to a tribally-chartered program.

The primary intent of his resolution is to support the concept of tribally-chartered community colleges where such an institution is deemed appropriate by the Tribe. It is also directed at the larger principle recognizing the perogative of a Tribe to develop its own delivery system instead of being forced to create local institutions on the mandate of the Federal on the mandate of the Federal Government, and that pending legislation reflect this perogative; and

BE IT FURTHER RESOLVED: that the United Sioux Tribes urges the Congress to introduce and enact legislation to amend and extend P. L. 95-471, the "Tribally-Controlled Community College Assistance Act of 1978"; and

BE IT FURTHER RESOLVED: that the United Sioux Tribes urges the Reagan Administration to support legislation amending and extending the "Tribally-Controlled Community College Assistance Act of 1978".

CERTIFICATION

WE DO HEREBY CERTIFY: that the United Sioux Tribes passed this resolution at a duly called meeting of the Board of Directors on the 11th day of February, 1981, at the Holiday Inn in Pierre, SD

ATTEST:

Norman G. Wilson, President
Board of Directors, UNITED SIOUX TRIBES

Secretary

Statement of the Rosebud Sioux Tribe

My name is Normal Wilson, president, Rosebud Sioux Tribe of South Dakota. I also serve as chairman, United Sioux Tribes, Inc., which is located in Pierre, S. Dak. I am here today to testify on behalf of my tribe.

Mr. Chairman, thank you for this opportunity. Past leaders of our tribe have been here before you to testify for the same purpose that I am here for. We greatly need a new hospital at Rosebud to replace the existing Indian Health Service facility.

Mr. Chairman, the Rosebud Sioux Tribe is in the process of developing long-range goals and objectives for economic development of our lands and natural resources. It is our belief that construction of a new hospital on our reservation is central to our achievement of these long-range economic goals.

We believe that the existing hospital facility is totally inadequate in design and equipment, to meet the comprehensive health care needs of our growing population. Likewise, the staffing patterns of the hospital do not appear to mix with the layout of the existing facility. The original hospital building was built in 1915. The closing of this part of the hospital for patient care activities has impacted dramatically upon the workload and the staff. Our bed capacity has been reduced from 52 constructed beds to 29 functional beds. The extremely high physician turnover is directly related to these physical plan deficiencies. The lack of continuity between patient and physician due to

the continual physician turnover, has contributed immensely to a lesser quality of health care being delivered to our people.

Mr. Chairman, the health care situation here on the Rosebud Reservation has reached a crisis level. The closing of the outpatient clinics that were located on the outer reaches of the reservation has placed a great burden on the people since the lack of a public transportation system only compounds the problems. There has been several incidents involving the staff and patients, or their families regarding the type of treatment provided by the Indian Health Service. This has created a great deal of frustrations, both on the part of the staff and the community. The result is a growing lack of acceptance by tribal members of the hospital and the care it provides. Our people are looking elsewhere for medical care. Most cannot afford it but they are willing to pay the price no matter how great the sacrifice. Mr. Chairman, we need your help and support in this project. It is not too late to turn the situation around, but lack of action can only accelerate the growing apathy on the reservation.

Recruitment and retention of highly trained professional staff at our present facility is becoming more difficult every day. The tribe is only superficially involved in this process. However, in order to attract the highly specialized medical personnel to our area we have reached the conclusion that a new facility is a major part of this recruitment and retention effort. A new facility will enhance the staff longevity and thus promote the development of continuity of care that is necessary if the Rosebud Sioux Tribe is to achieve their goals of human resource development. We need people to be healthy so that they can seek a better quality of life. This is a cornerstone of the tribe's economic development plans.

Mr. Chairman, it is my understanding that funds in the amount of $700,000 was previously appropriated for the planning and design phase for a new facility to replace the Indian health Service Hospital at Rosebud. It is my further understanding that the Indian Health Service was permitted to reprogram these funds pending clarification of their bed methodology. In discussions with IHS officials, it is our opinion that this clarification has been finalized and their priority ranking system is firmly intact. Should this be the case, I am requesting that the subcommittee consider the immediate restoration of the planning funds that were previously appropriated. In addition, we are hopeful that the subcommittee will consider an increase in the original amount, since construction costs have increased tremendously as well as other costs due primarily to inflation. It is imperative that we initiate this project as soon as possible. Mr. Chairman, we need your help and support. Thank you for hearing my testimony.

SUBCOMMITTEE RECESS

Ms. RICHARDSON. If there is no one else here to testify, the committee will stand in recess until Wednesday, February 25 when the committee will hear the budget requests for the Institute of Museum Services and the Department of Education's Office of Indian Education at 9 a.m.

The hearing record will remain open until March 15 for additional written statements.

[Whereupon, at 4:20 p.m., Thursday, February 19, the subcommittee was recessed to reconvene at 9 a.m., Wednesday, February 25.]

Material Submitted Subsequent to the Hearing

[The following material was submitted subsequent to the hearing and will be included in the record at this point.]

Statement of the American Indians Into Medicine Program, University of South Dakota

My name is Bernard Kahrahrah. I am the former director of the American Indians Into Medicine Program at the School of Medicine, University of North Dakota, Grand Forks. I am here to request your consideration for the Program's continuation at the present level of $720,000 funding of FY 1981.

INMED has proven that it can produce fully qualified medical school candidates and successful medical school graduates, as well as nurses and other health professionals. In the past seven years we have produced twenty-two Indian doctors - of the five finished with residency, four are working with Indian people. We have also a nurse and a dentist from our program, both working at Cheyenne River Reservation and an MPH working with an urban Indian group. We now have twenty-four more students enrolled in medical schools and thirty-one undergraduates at UND.

Last year we discussed the need for a dependency allowance. Our students are older and have children. There is little back up at home making it difficult to borrow for medical school. IHS salaries for physicians are far less than that of private practice. We feel that our students should practice with their own people or the goals of the Program are not being met. They are less apt to do this if they go deeply in debt for their medical education. The need for the dependency allowance was recognized by Congress but the language necessary to allow its use was not put into Section 103 and 104 of the Indian Health Care Improvement Act (PL 94-437). We wish now only to ask for a language change to allow the dependency allowance to be paid. We still recommend that the dependency allowance be patterned after Title IV of the Indian Education Act. We are not asking for additional money from what we received this year, only language to allow us to use it as was intended and continued funding at that level.

The need for the INMED Program is as crucial now as it was in 1970 when the need for minority health professionals became apparent. The Aberdeen Area of Indian Health Service is 30% below the allocated number of doctors. Yet over 200 physicians have been in and out of some reservations in that area in a year. The National Association of Minority Medical Educators quoted American Association of Medical College figures showing that the first time, first year enrollment for American Indians peaked in 1975 and is now back to 1970 levels of .1% - only 1/4 what it should be to be at parity and far less than it should be after considering the total number of practicing Indian physicians is around 200. The GMENAC report that speaks to an over supply of physicians admits that these figures do not apply to minority candidates, or to reservation, rural, and inner city

areas. The University of North Dakota has consistently been accepting four or five American Indians to medical school and others into other health profession career training each year.* Yet, each year we have to request to be a part of someone's budget to continue operation. We have proven ourselves where other minority programs have failed. We ask you to take steps to allow us to be considered a permanent line item of the IHS budget at the FY 1981 level of funding.

Statement of the Sault Ste. Marie Tribe of Chippewa Indians, Michigan

I would like you to consider an increase on our special medical appropriations to expand Contract Health Services to more fully meet the growing needs of the Sault Ste Marie Tribe.

Subsequent to my original testimony on 4-13-76, (Exhibit 1) we received an allocation of $ 360,000.00 for fiscal year 1978. From this allocation, a Comprehensive Health Plan was to be written. The results of this plan (Exhibits 6, 7, and 8) provide the extensive data base in support of this request. However, subsequent to our allocation for 1978, our contract dollars have only increased in 15%, 19% and 4% increments to our present amount of $ 515,458.00. This average increase of 12.67% per year compares to our tribal membership increase of 54.82 % (from 3153 in 1976, to 5858 in 1980).

Several additional factors relate to the inadequacy of our present contract allocations. Financial limitations have necessitated imposing health service priorities (pp 5 & 6 of Exhibit 4). Limitations on costs-per-service have also been implemented by the Tribal Health Committee. Only three of our six Community Health Service priorities can be served due to staff limitations. Finally, the projected coverage of a non-Indian male spouse and other non-Indian members of an Indian household will have a major economic impact on our contract services.

The health needs of the Sault Ste Marie Tribe continue to escalate while economic resources steadily decline. Page 60 of Exhibit 3 report that 30% of our Tribal labor force is unemployed while an additional 30% are earning less than $ 5,000.00 per year. Thus, too many members elect to go without health services unless they are available through our own medical programs. The economic, environmental and educational status of our Tribal membership can be further clarified by reviewing Exhibit 7. Specifically, Chapter 4 describes the economic and educational status of our membership (pp 95, 98, 100, 102, 106, 120 and 124). Chapter 7 defines the specific health needs of our members. This information has been further summarized according to cost of care in the Tribal Specific Health Plan (Exhibit 6) in the chapter entitled "Total Health Needs of Your Tribe". The costs reported there-in have been updated to reflect rising cost of medical care and area useage according to the Resource Allocation Criteria (RAC) used by Indian Health Service (Exhibit 5).

The cost of total Contract Health Services as computed in Exhibit 5 is staggering at $ 4,782,678.00. The amount of our request represents an extremely conservative compromise in light of the substantial difference in dollar amounts. Our present contract is managed with 21% of the total contract allocation. The five administrative positions project a record of efficiency and effectiveness while maximizing the direct care service provisions to our membership. The following projected budget reflects a continuation of management efficiency:

*nursing, medical lab. tech., etc.

Present

Administration	
Direct (1)	
Administrator (1)	
Clerical (3)	
Salaries/Fringes	$ 73,000.00
Community Health Nursing	
Nurses (2)	
Salaries/Fringes	$ 35,000.00
Support	$ 33,000.00
Total Administration	$ 141,000.00
Direct Care Service	
Inpatient Care.....	103,981.00
Outpatient Care.....	94,743.00
Optical.....	40,827.00
Prescription.....	39,528.00
Dental.....	71,218.00
Transportation.....	1,701.00
Other.....	3,000.00
Total Health Care.	$ 354,998.00

Projected

Administration	
Director (1)	
Administrator (1)	
Clerical (4)	
Salaries/Fringes (includes cost of living and new position)	$ 95,000.00
Support (Travel, Supplies, Space and etc.)	$ 43,000.00
Total Administration	$ 138,000.00
Community Health Nursing	
Nurses	
MA/BSN (1)	
BSN (2)	
Paraprofessionals (5)	
Salaries/Fringes	$ 127,000.00
Direct Care Services	
Inpatient Care	180,000.00
Outpatient Care.....	162,000.00
Optical.....	72,000.00
Prescription.....	72,000.00
Dental.....	121,000.00
Transportation.....	24,000.00
(Develop transportations systems)	
Other.....	4,000.00
Total Health Care.....	$635,000.00
TOTAL AMOUNT REQUESTED	$ 900,000.00

Ladies and gentleman, this budget represents a second step in an effort to complete a Contract Health Service which maximizes existing medical services through local vendors and Indian Health programs. I expect that when this second step has been completed, approximately 60% to 70% of our Tribal Health need will be met. It is my sincere hope that you will give careul and serious consideration to this request.

I offer my deepest gratitude for this opportunity.

Statement of the Crow Creek Sioux Tribe, South Dakota

I am the general counsel for the Crow Creek Sioux Tribe located at Ft. Thompson, South Dakota.

I would respectfully submit the following information in connection with the Bureau of Indian Affairs budget for the Crow Creek Sioux Tribe.

The Crow Creek Sioux Tribe has consistently received a smaller budget in proportion to its membership than any other tribe. The Crow Creek Sioux Tribe should be allowed to share federal money equally with other tribes.

Therefore, the Crow Creek Sioux Tribe requests that its budget be adjusted in such a manner that the Crow Creek Sioux Tribe have a share of federal money in proportion to its membership.

1982 BIA BUDGET ESTIMATES SENT TO OFFICE OF MANAGEMENT & BUDGET, SEPTEMBER 1980
AMOUNTS FOR AGENCIES & TRIBES BASED ON LOCAL DECISION RANKING TABLES.
(DOLLARS IN THOUSANDS & TENTHS) FULL-TIME PERMANENT STAFF IN UNITS) RUN ON THUR 09/04/80

	A AREA TOTAL		A AREA OFFICE DIRECT OPS.		A AREA OFFICE FIELD OPS.		A00-07 FLANDREAU FIELD OFFICE		A00-08 TRENTON FIELD OFFICE		A01-01 CHEYENNE RIVER		A04-01 FORT BERTHOLD	
11 SCHOLARSHIPS	3522.5	1	0.0	0	0.0	0	35.0	0	0.0	0	206.0	0	370.0	0
12 ADULT EDUCATION	433.5	0	46.2	0	0.0	0	9.0	0	0.0	0	10.3	0	30.0	0
13 TRIBAL COMM.COLLEG	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
19 TOTAL-EDUCATION	3956.0	1	46.2	0	0.0	0	44.0	0	0.0	0	216.3	0	400.0	0
20 COMMUNITY SERV-GEN	47.8	2	46.7	2	0.0	0	0.0	0	1.1	0	0.0	0	0.0	0
21 AGRIC. EXTENSION	434.7	0	0.0	0	302.0	0	0.0	0	0.0	0	0.0	0	0.0	0
22 TRIBAL GOVERNMENTS	974.7	9	308.2	8	0.0	0	0.0	0	0.0	0	45.7	0	40.0	0
23 TRIBAL COURTS	1024.1	2	34.7	1	0.0	0	5.0	0	0.0	0	79.4	0	83.3	0
24 SOCIAL SERVICES	2287.6	71	178.7	4	0.0	0	0.0	0	0.0	0	220.1	7	173.9	5
25 LAW ENFORCEMENT	6163.1	76	176.5	4	150.0	0	30.6	1	17.6	0	840.0	2	366.0	7
26 HOUSING	1476.4	2	79.3	2	0.0	0	19.8	0	62.1	0	83.3	0	92.1	0
27 SELF-DETERMINATION	1884.5	3	221.5	3	0.0	0	93.7	0	0.0	0	215.4	0	75.0	0
28 COMM. FIRE PROTECT	22.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
29 TOTAL-INDIAN SER	14315.4	165	1045.6	24	452.0	0	149.1	1	80.8	0	1483.9	9	830.3	12
A0 COMMERCIAL DEV-GEN	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
31 BUSINESS ENT DEV	168.8	2	58.5	2	0.0	0	0.0	0	23.6	0	0.0	0	0.0	0
32 CREDIT & FINANCING	631.6	21	123.1	4	0.0	0	0.0	0	0.0	0	49.8	2	49.7	2
33 ADULT VOC TRAINING	1956.0	2	0.0	0	0.0	0	0.0	0	0.0	0	136.6	0	176.0	1
34 EMPLOYMENT ASSIST	2886.3	26	150.0	4	1253.5	0	3.0	0	4A.2	0	124.2	2	51.3	1
35 ROAD MAINTENANCE	3175.7	49	10.2	0	0.0	0	0.0	0	10.0	0	399.6	5	312.5	6
36 INDIAN ACTION TEAM	2170.1	0	0.0	0	0.0	0	0.0	0	0.0	0	251.4	0	279.3	0
39 TOTAL-ECONOMIC DEV	10988.5	100	341.8	10	1253.5	0	3.0	0	77.8	0	961.6	9	868.7	10
40 NATURAL RES.-GEN	74.3	1	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
41 AGRICULTURE	2281.7	75	163.5	5	0.0	0	0.0	0	0.0	0	268.8	11	326.7	9
42 FORESTRY	104.6	2	0.0	0	0.0	0	0.0	0	0.0	0	4.9	0	0.0	0
43 MINERALS & MINING	111.4	0	36.5	0	0.0	0	0.0	0	0.0	0	4.9	0	70.0	0
44 WATER RESOURCES	48.8	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
45 WILDLIFE & PARKS	143.0	0	0.0	0	0.0	0	0.0	0	0.0	0	26.5	0	57.0	0
49 TOTAL-NATURAL R.	2763.8	78	200.0	5	0.0	0	0.0	0	0.0	0	305.1	11	501.7	9
50 TRUST SERVICES-GEN	126.7	1	70.7	1	0.0	0	0.0	0	0.0	0	0.0	0	56.0	0
51 ENVIRONMENTAL QUAL	40.8	1	36.2	1	0.0	0	0.0	0	0.0	0	4.6	0	0.0	0
52 RIGHTS PROTECTION	329.1	1	95.1	1	0.0	0	0.0	0	0.0	0	23.4	0	24.0	1
53 REAL ESTATE APPRAI	480.2	12	480.2	12	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
54 REAL ESTATE SERV.	1962.5	76	462.4	21	0.0	0	0.0	0	14.9	0	176.5	6	129.8	5
55 FIN. TRUST (IIM)	403.4	24	217.7	12	0.0	0	0.0	0	0.0	0	42.6	2	20.0	1
59 TOTAL-TRUST	3413.7	115	1362.3	48	0.0	0	0.0	0	14.9	0	247.1	8	237.8	6
60 SAFETY MANAGEMENT	140.9	2	93.3	2	0.0	0	0.0	0	0.0	0	0.0	0	3.5	0
61 PROGRAM MGT/BUDGET	568.8	11	184.9	5	0.0	0	0.0	0	0.0	0	35.5	1	36.9	1
62 EXECUTIVE DIRECT.	827.6	24	115.6	2	0.0	0	0.0	0	0.0	0	51.0	2	71.4	2
63 ADMIN. SERVICES	2506.1	106	1344.1	60	0.0	0	0.0	0	24.4	1	69.3	4	94.4	4
64 NEW DIRECT LIMIT	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
65 NEW DOA LIMIT	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
69 TOTAL MGT.&ADMIN	4043.3	132	1802.9	67	0.0	0	0.0	0	24.4	1	155.7	7	206.2	7
A0 FACIL MGMT-ADMINS	361.3	13	361.3	13	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
99 GRAND TOTAL	39082.1	602	5172.1	162	1705.5	0	196.1	1	214.9	1	3369.7	44	3046.1	44

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	A05-01 FORT TOTTEN		A06-01 PINE RIDGE		A07-01 ROSEBUD		A08-01 YANKTON		A09-01 SISSETON		A10-01 STANDING ROCK		A11-01 TURTLE MOUNTAIN	
11 SCHOLARSHIPS	60.0	0	712.4	0	542.0	0	106.4	0	178.9	0	251.5	0	684.2	1
12 ADULT EDUCATION	14.0	0	92.3	0	57.0	0	24.5	0	28.3	0	31.8	0	32.8	0
13 TRIBAL COMM.COLLEG	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
19 TOTAL-EDUCATION	74.0	0	804.7	0	599.0	0	130.9	0	207.2	0	283.3	0	716.2	1
20 COMMUNITY SERV-GEN	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
21 AGRIC. EXTENSION	0.0	0	35.0	0	0.0	0	0.0	0	35.7	0	0.0	0	0.0	0
22 TRIBAL GOVERNMENTS	0.0	0	107.4	0	94.6	0	20.1	0	44.1	0	100.0	0	66.0	1
23 TRIBAL COURTS	39.0	0	150.6	0	122.0	0	33.4	0	78.2	0	120.0	0	68.6	1
24 SOCIAL SERVICES	135.8	5	299.1	8	298.2	8	63.6	2	133.6	4	230.0	8	245.0	8
25 LAW ENFORCEMENT	333.3	9	1542.1	0	1179.5	13	129.6	0	187.3	2	614.9	12	400.0	12
26 HOUSING	62.0	0	68.7	0	204.5	0	36.0	0	144.2	0	130.0	0	309.0	0
27 SELF-DETERMINATION	92.0	0	310.6	0	251.6	0	60.7	0	147.0	0	0.0	0	217.5	0
28 COMM. FIRE PROTECT	0.0	0	0.0	0	0.0	0	0.8	0	0.0	0	0.0	0	22.5	0
29 TOTAL-INDIAN SER	662.1	14	2513.5	8	1540.4	21	343.4	2	770.1	6	1194.9	20	1328.6	21
30 COMMERCIAL DEV-GEN	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
31 BUSINESS ENT DEV	0.0	0	0.0	0	0.0	0	0.0	0	33.3	0	0.0	0	12.0	0
32 CREDIT & FINANCING	0.0	0	85.2	4	82.2	3	25.4	0	25.0	0	59.9	3	49.2	2
33 ADULT VOC TRAINING	86.0	0	295.0	0	256.0	0	70.0	0	148.4	1	140.0	0	390.0	0
34 EMPLOYMENT ASSIST	81.9	2	314.4	3	120.5	2	36.3	1	80.9	2	164.0	3	385.0	4
35 ROAD MAINTENANCE	198.9	2	385.3	13	281.2	4	25.0	0	160.0	2	450.0	4	310.0	4
36 INDIAN ACTION TEAM	0.0	0	533.9	0	0.0	0	46.9	0	0.0	0	431.5	9	0.0	0
39 TOTAL-ECONSEMPLOY	366.8	4	1613.8	20	739.9	9	203.6	1	447.6	5	1245.4	18	1146.2	10
40 NATURAL RES.-GEN	0.0	0	0.0	0	0.0	0	0.0	0	25.1	0	0.0	0	20.0	0
41 AGRICULTURE	87.4	2	251.6	7	412.8	14	53.5	0	98.4	3	250.0	10	30.0	1
42 FORESTRY	0.0	0	2.6	0	2.1	0	0.0	0	0.0	0	0.0	0	40.0	0
43 MINERALS & MINING	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
44 WATER RESOURCES	0.0	0	0.0	0	38.8	0	0.0	0	0.0	0	0.0	0	10.0	0
45 WILDLIFE & PARKS	0.0	0	0.0	0	12.0	0	0.0	0	0.0	0	20.0	0	16.5	0
49 TOTAL-NATURAL R.	87.4	2	254.2	7	465.7	14	53.5	0	123.5	3	270.0	10	116.5	1
50 TRUST SERVICES-GEN	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
51 ENVIRONMENTAL SERV	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
52 RIGHTS PROTECTION	6.0	0	0.0	0	33.6	0	27.7	0	9.0	0	50.0	0	0.0	0
53 REAL ESTATE APPRAI	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
54 REAL ESTATE SERV.	99.0	3	212.5	11	202.1	5	63.7	3	106.1	4	189.2	8	104.0	3
55 FIN. TRUST (IIM)	0.0	0	76.5	4	54.6	3	0.0	0	16.0	0	48.0	2	0.0	0
59 TOTAL-TRUST	105.0	3	289.0	15	290.3	8	91.4	3	131.1	4	287.2	10	104.0	3
60 SAFETY MANAGEMENT	0.0	0	19.1	0	0.0	0	0.0	0	0.0	0	24.0	0	1.0	0
61 PROGRAM DEV&BUDGET	29.0	0	47.6	1	18.0	0	0.0	0	49.0	0	40.0	0	35.0	1
62 EXECUTIVE DIRECT.	68.0	2	70.5	2	49.9	1	58.1	2	53.5	2	56.6	2	54.0	2
63 ADMIN. SERVICES	77.0	2	202.1	5	48.4	4	44.1	1	64.7	3	74.4	2	80.0	3
64 NEW DIRECT RENTAL	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
65 NEW GSA RENTAL	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
69 TOTAL-MAN.&ADMIN	174.0	4	339.3	8	136.3	5	102.2	3	167.2	5	195.0	4	170.0	7
80 FACIL MGMT-AREAOFF	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
79 GRAND TOTAL	1469.3	27	5814.5	58	3721.6	57	925.0	9	1844.7	23	3425.9	54	3581.5	46

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		A13-01 WINNEBAGO		A14-01 CROW CREEK		A15-01 LOWER BRULE	
11	SCHOLARSHIPS	321.2	0	20.0	0	34.9	0
12	ADULT EDUCATION	54.4	0	0.9	0	2.8	0
13	TRIBAL COMM.COLLEG	0.0	0	0.0	0	0.0	0
19	TOTAL-EDUCATION	375.6	0	20.9	0	37.7	0
20	COMMUNITY SERV-GEN	0.0	0	0.0	0	0.0	0
21	AGRIC. EXTENSION	62.0	0	0.0	0	0.0	0
22	TRIBAL GOVERNMENTS	125.6	0	15.0	0	8.0	0
23	TRIBAL COURTS	120.0	0	42.0	0	47.9	0
24	SOCIAL SERVICES	176.6	5	81.0	3	62.0	3
25	LAW ENFORCEMENT	326.0	1	273.6	8	196.1	5
26	HOUSING	80.0	0	71.4	0	14.0	0
27	SELF-DETERMINATION	95.0	0	74.5	0	30.0	0
28	COMM. FIRE PROTECT	0.0	0	0.0	0	0.0	0
29	TOTAL-INDIAN SER	985.2	6	557.5	11	378.9	8
30	COMMERCIAL DEV-GEN	0.0	0	0.0	0	0.0	0
31	BUSINESS ENT DEV	40.4	0	1.0	0	0.0	0
32	CREDIT & FINANCING	55.0	0	20.6	1	7.0	0
33	ADULT VOC TRAINING	144.0	0	55.0	0	59.0	0
34	EMPLOYMENT ASSIST	0.0	0	41.3	1	33.8	1
35	ROAD MAINTENANCE	266.2	3	148.9	4	217.9	2
36	INDIAN ACTION TEAM	426.8	0	0.0	0	200.3	0
39	TOTAL-ECON&EMPLOY	932.4	3	266.8	6	518.0	3
40	NATURAL RES.-GEN	0.0	0	0.0	0	72.2	1
41	AGRICULTURE	155.4	5	59.9	3	73.7	4
42	FORESTRY	53.0	2	0.0	0	0.0	0
43	MINERALS & MINING	0.0	0	0.0	0	0.0	0
44	WATER RESOURCES	0.0	0	0.0	0	0.0	0
45	WILDLIFE & PARKS	5.0	0	0.0	0	4.0	0
49	TOTAL-NATURAL R.	213.4	7	59.9	3	149.9	5
50	TRUST SERVICES-GEN	0.0	0	0.0	0	0.0	0
51	ENVIRONMENTAL SERV	0.0	0	0.0	0	0.0	0
52	RIGHTS PROTECTION	19.0	0	20.0	0	12.4	0
53	REAL ESTATE APPRAI	0.0	0	0.0	0	0.0	0
54	REAL ESTATE SERV.	79.1	3	62.5	2	35.7	2
55	FIN. TRUST (IIM)	0.0	0	0.0	0	0.0	0
59	TOTAL-TRUST	98.1	3	82.5	2	48.0	2
60	SAFETY MANAGEMENT	0.0	0	0.0	0	0.0	0
61	PROGRAM DEV&BUDGET	22.7	1	36.2	1	32.0	0
62	EXECUTIVE DIRECT.	47.5	1	48.3	1	62.2	2
63	ADMIN. SERVICES	158.9	5	95.7	4	44.7	2
64	NEW DIRECT RENTAL	0.0	0	0.0	0	0.0	0
65	NEW OSA RENTAL	0.0	0	0.0	0	0.0	0
69	TOTAL-MAN.&ADMIN	229.1	7	180.2	6	138.9	4
80	FACIL MGMT-ABEADCF	0.0	0	0.0	0	0.0	0
99	GRAND TOTAL	2834.3	26	1167.8	28	1231.4	22

STATEMENT OF THE NATIVE VILLAGE OF VENETIE TRIBAL GOVERNMENT, ALASKA

The NATIVE VILLAGE OF VENETIE TRIBAL GOVERNMENT for the Neets'Ai Gwitch'In Athapaskan Tribe of the Venetie Indian Reservation requests these funds in addition to the per-capita computed percentage of the Fairbanks, Alaska, Agency budget for the Tribe.

The projects so funded will:

A. Develop the Tribal resources through continuing employment of the Tribal members to realize markets;

Natural Resource Development -

Oil Shale: Ongoing program of exploration to define parameters of occurances $100,000

Timber: Finalization of BIA study; independent review; set-up saw mills in Arctic Village and Venetie $ 50,000

Hydroelectric: Feasibility study $ 10,000

Fish Hatchery: Feasibility Study $ 10,000

Agriculture: Ground preparation for field grains/grasses for brouse for indigenous game and domestic animals, "truck" garden preparation for harvestable domestic use;

1. Purchase breaking disc	$ 40,000	
2. D-9 Cat. rental (200 hrs. x $115)	$ 23,000	
3. Fuel - 20 gal/hr. x 200 hrs x $3.00/gallon	$ 12,000	
4. Misc. lube and oil	$ 3,000	
5. Labor/operator & mechanic	$ 1,500	
6. Grain/grass seed	$ 5,000	
7. Vegetable seed & starts	$ 5,000	
8. Irrigation line and sprinklers inc. labor and installation	$ 12,000	$101,500

Reservation Roads: Access to timber

1. 24 miles x $150,000/mi	$3,600,000	
2. Engineering & administration	$ 180,000	
3. Annual maintenance	$ 50,000	$3,830,000

B. Insure continuation of the housing project started in 1978 to eliminate sub-standard and unsanitary housing through self-help utilizing local materials;

Housing: Arctic Village 22 units x $75,000/unit $1,650,000

C. Provide the electrical system necessary for village electrification and Public Health Service participation to supply a circulating water system (although septic systems will be necessary for household waster water and sewage);

Village Electrification: Installation of distribution line; preventive maintenance of current generators to be used for standby; purchase of two generators/each village $100,000 x Arctic Village and Venetie $200,000

D. Provide sufficient funding for the continuing special needs of the Tribal members in post-secondary and vocational education.

Education: 30 students, variable need to be determined case-by-case x $1,000 $ 30,000

E. Provide funding for Tribal Police and Administration of licenses required for non-Tribal members to enter upon, for business or personal matters, the lands and waters of the Venetie Indian Reservation.

Law and Order:

1. four part time police $6,000 x 4= $24,000
2. two part time clerks $3,000 at x 2 $6,000

$30,000

TOTAL FUNDING: $6,011,500

These projects must be underway within two years for the Tribe to develop its human and natural resources, to overcome the extreme poverty conditions and sustain itself as a Tribe.

STATEMENT OF THE COUNCIL OF ENERGY RESOURCE TRIBES

The Council of Energy Resource Tribes (CERT) submits the following statement to the Committee. CERT is a non-profit coalition of 25 Indian tribes with substantial energy resources. The Council was established by these tribes in 1975 to assist them in the prudent management and conservation of these resources. Last year nearly a million barrels per day of oil equivalent energy was produced on CERT member lands.

Given this very clearly defined mission we have particular interest in one element of the activities of the Bureau of Indian Affairs - that of providing assistance to the tribes in managing the minerals on their lands. Our remarks are therefore limited to these activities, and to the appropriations required to provide this assistance effectively. For fiscal year 1981, $8.1 million was appro-

priated in BIA's budget for the Minerals and Mining item, and the Carter Administration requested that this be reduced to $7.95 million for FY-82. In addition, base funding of $2 million was requested for FY-82 for lease compliance activities as part of the Bureau's Trust Responsibilities protection budget (for which a total of $48.1 million was requested). Although the Reagan Administration's thinking regarding these requests is unclear at this time, it is our understanding that Bureau staff has recommended that Trust Responsibilities appropriations should receive high priority, and CERT strongly supports this recommendation.

The amount of appropriations to which we are referring is not large in comparison with the overall BIA budget, particularly when the importance of tribal energy resources to the nation's energy future is considered. Yet, it is not our purpose here to plead that more money is needed for tribal minerals management. It is now well recognized that the traditional approach of simply providing more and more Federal dollars to meet needs does not guarantee that these needs will be met, particularly in these very difficult economic times. It is CERT's position that the current level of funding for minerals management may be adequate for next year as well, provided that these funds are more closely targeted toward the real needs of the tribes than they are at present.

Last year, for example, the BIA had approximately $7 million in its Minerals and Mining budget. Of this amount, about $5 million was transferred to the U.S. Geologic Survey (USGS) to perform comprehensive minerals inventories on tribal lands. CERT has always advocated Federal assistance to the tribes in obtaining adequate information on the nature and extent of their mineral resources to enable them to make informed development decisions. Yet in our view the inventory work underway at USGS goes far beyond this need. The USGS program is composed of three phases: Phase I - Collecting and summarizing existing data, Phase II - Generating new data through limited on-the-ground exploration, and Phase III - Performing detailed studies, including core drilling.

We believe that it is most unwise to direct the bulk of BIA's Minerals and Mining budget into this unnecessarily lengthy and expensive three-phase program. Tribes need to have a good idea of the extent of their resources, and the information provided by Phase I studies is generally adequate for this purpose. They do not need to continue massaging this information in Phases II and III before they begin to make their development decisions, and we do not believe that it is in the Tribes' best interest to continue the program in this direction. In fact, we estimate that it would take $600 million to carry the program to completion according to the format established by USGS. Given the current funding rates, then, it would take nearly 100 years to complete the full program for all tribes with mineral resources!

Clearly, limited Federal dollars could be used much more wisely if they were directed toward the true needs that the tribes have today rather than supporting sophisticated studies which may or may not meet their needs at some unknown time in the future. Now, just what are these needs? For the purpose of minerals management, they are many:

(1) Feasibility Studies: Once a general Phase I minerals inventory is conducted, a feasibility study rather than a more detailed inventory should have higher priority. To obtain financing for any major energy project today, a would-be developer must complete such a study, assessing in detail the full costs and benefits of the project and alternative financial arrangements. Feasibility studies are standard business practice for the energy industry. Yet tribes generally do not have the front-end funds required to carry out these studies, and there is currently no ongoing program in the Federal Government to provide these badly needed funds.

(2) Capacity Building: Tribal governments need to build the capacity to make their own decisions about how best to use their mineral resources for the interests of their people. Should they decide to develop these resources, they need to have their own expertise - not simply relying on the Federal Government - to plan this development and to manage production activities over the entire life of the production project. For example, one of our members, the Ute Mountain Tribe of Colorado, is now putting into place an advanced system of monitoring oil and gas operations on their reservation, managed completely by tribal members. The recently discovered oil thefts on the Wind River Reservation (which could exist on any reservation) highlight the pressing need for direct tribal control rather than continued reliance on USGS monitoring programs. We believe that the Ute Mountain program meets this need and provides an excellent model for other tribes to follow.

(3) Training and Technical Assistance: Energy development requires a wide range of technical skills and analysis in such diverse areas as geology, engineering, economics, environment and land use. Tribes need financial assistance to carry out these analyses and to train their own people to work in these areas.

These needs - which exist right now - are substantial. However, as already stated, we can make significant progress in addressing these needs within the current BIA budget if the Bureau re-orders its priorities to respond to them.

We would add that this support in the above-mentioned areas is not needed just for the tribes' benefit, but for the benefit of our entire nation. Tribes own very substantial energy resources, including one-third of the strippable coal in the West, and the largest blocks of unexplored onshore oil and gas lands in the continental United States. State Governments don't own anywhere near this amount of resources, and neither do any other private land owners. Tribes have shown a great willingness to cooperate in using these resources in meeting our energy needs. Yet the Federal Government has responded by forcing the tribes to struggle for even the slightest amount of financial support. Is this country really serious about solving its energy problems? If a determined effort to increase our domestic energy production is part of the answer - and we think that

it is - then let's help the tribes help America to get on with the job, given the abundance of their energy wealth.

In summary, we do not necessarily need more money - what we do need is more sensitivity to how this money is used. The basic question to be asked is: Who should make the decisions about what is best for the tribes, the government or the tribes themselves? We believe that tribal decisions and priorities will result in better use of existing appropriations.

Statement of the Mississippi Band of Choctaw Indians, Mississippi

My name is Phillip Martin, and I am the elected Chief of the Mississippi Band of Choctaw Indians, a federally-recognized Tribe of some 4,300 members living on 17,000 acres of trust land is east central Mississippi. The majority of Choctaw people live in families with incomes falling below the OMB poverty guidelines. The on- and near-reservation unemployment rate is at 36.8 per cent of the labor force. The population is extremely young, with a median age of 17, and the population growth rate is 3.5 per cent per year.

The Tribe, over the past several years, has been actively pursuing a strategy of industrial and business development in order to raise incomes, reduce unemployment, and reduce federal dependency.

We believe that the progress we have made is in line with the economic policies the new administration has proposed and we strongly support these policies. Two important ingredients in our progress have been our people wanting to work and the natural resources in our area. Using guaranteed loan funds through the BIA and a $342,000 grant from EDA, we have constructed and started up an automotive wire harness assembly plant on our Industrial Park which supplies harnesses to the Packard Electric Division of General Motors Corporation. Today, we have 215 persons employed producing harnesses for Chevrolet pick-ups and Buick sedans. (At the same time, the tribal construction company has raised its employment level to 60.)

This wire harness plant was a major breakthrough for the Tribe. As a result of an inspection of this plant, the American Greetings Corporation was impressed with tribal operations and we have carried out negotiations with them to enter into a contract to construct a 120,000 square foot building and to become a dedicated supplier of American Greetings, employing around 300 individuals. As success seems to be bringing success, we are dealing with other industries who are interested in dealing with us. Thus, by this Fall, we will have created 575 non-federal jobs on the reservation, with even more projected in the future.

We realize that this development of the private sector, this development of reservation economics, is the ultimate answer for the oppressive conditions under which Indian people live today. But while we are getting started in this area, there are direct services which must be provided to Indian people by the federal government, both because of the special relationship with federally-recognized tribes and because funds are available from no other source. These areas of direct services are education, health care, social services, roads, and housing.

But first, let me speak of the Self-Determination policy. The Mississippi Band of Choctaw Indians was among the first tribe to actively pursue tribal self-determination. The tremendous economic progress we are making on the reservation which I just described, has been a result of the efforts, not of the BIA or other federal agencies, but of the tribal government itself. Reservation economics could not be developed without federal support for tribal governments. As such, I would recommend a substantial increase in the self-determination grants line of the BIA budget, and increases to assure that tribal indirect costs are adequately covered in the contract support lines in both the BIA and IHS budgets.

Education

The Choctaw Agency, BIA, serves in excess of 1,000 students at six locations on the reservation. Because, we assume, of the formula contained in Public Law 95-561, the personnel ceiling for education programs on the reservation has already been reduced from 271 to 141, a greater than 25 per cent reduction (on which, by the way, the tribe was not consulted.) Parents are concerned that their children will arrive at school next year to find classrooms empty of teaching staff.

The education of Indian children is a special responsibility of the Department of the Interior, in part because tribes, unlike local school districts, have no tax base from which to fund educational activities. Any cutbacks in federal funds are thus irreversable at the local level. While the taking of educational opportunity from our children would not immediately threaten life and limb, tribes realize that their only hope of long-term increase in the Indian standard of living is through education of their young people.

While we agree that reductions in the BIA education budget have been to some extent a response to waste and mismanagement, our question is, "Why are our children being punished for it?" This past year, among our junior high and senior high population, we had one successful and fifteen attempted suicides. All of the students from our outlying communities must board in the dormitory at Choctaw Central to attend junior high and high school. There is no money to take them on field trips, provide films, or even to provide the staff ratio needed to adequately supervise and counsel them.

We would recommend the following for the Committee's consideration:

- The development of school standards for day school and dormitory operations in consultation with tribes which take into account the need for english as a second language instruction, strong basic skills programs, enrichment programs which will provide the coping skills and information needed by our children to successfully understand and compete in the larger non-Indian society.

- A distribution formula which provides for a minimal operational amount per child over and above personnel costs.

- A realistic determination of personnel costs which meets the legal requirements of school Civil Service personnel.

- Immediate relief in the form of raised per student allotments from $1,843.77 to $3,300 per student, plus weighted factors until such time as standards are published and

implemented as mandated, and until conflicts with the federal employees union are legally resolved.

- Rescission of the limitation in present regulations of transfer of monies generated among the classes of students to allow local flexibility in meeting local needs as they arise.

We are also concerned about the organizational and appropriational status of the Department of Education Office of Indian Education, Title IV Programs. There have been a number of disturbing reorganization plans mentioned which range from outright dismantlement of the Department to regional rather than program functional operation. Although most of the money under this office goes to public schools which have Indian students enrolled, the small amount of funding which has been available to tribes and Indian organizations represents our only opportunity to develop educational models for our population. Most of the innovative projects which have led to profound changes in Indian educational programming have been Title IV-B and -C projects.

Our tribe is an excellent example. We developed a model Adult Basic Education Program under Title IV-C, which has been duplicated all over the country and received international recognition. As a result, we have such a strong and successful program, that our higher education report shows almost as many of the reservation students attending college are GED graduates from that program as are graduates of our BIA high school. That appropriation meets only a small fraction of the need in Indian country. We would strongly urge that the department be maintained intact with an increased appropriation where the results are -- in Parts B and C.

Health Care

Health services on the Choctaw reservation have improved significantly in the last ten years. During this time period, the Choctaw tribe has been increasingly involved in policy-making and management of the health care delivery system. The dollar volume of contracting with the Indian Health Service has been increased from $1.1 million in FY 78 to $2.6 million in FY 81. Unlike the high personnel cost in the Indian Health Service direct operations, only 55% of the total contracted budget is spent on personnel wages and salaries. Eighty-one per cent of employees in the health programs are Indians. The implication of this ratio is that we are providing employment to our Indian people and we are moving toward self-sufficiency and self-development. At the same time, we are improving the quality and quantity of services on the Choctaw reservation.

The 40-bed general hospital at Pearl River Community received full accreditation from the Joint Commission on Accreditation of Hospitals, the dental clinic is accredited by the American Dental Association, the Mental Health/Alcoholism/Substance Abuse Program is the only Native American program of this kind accredited by the State in which it is located.

Despite these improvements, the primary health need of the Choctaw people has not been fully met due to the moderate budget appropriated to the Indian Health Service. To stay within budget limits, many programs are being curtailed and services are being reduced. It has come to our attention that the Administration is proposing a 10 per cent across-the-board funding cut of all existing federal programs. Once again, we do not support this

action. We realize the importance of fighting inflation and containment of government expenditures. However, we feel that each specific program deserves special considerations. We would like to share with the Committee our concerns toward the Indian Health Service budget lines especially as they affect the Choctaw reservation:

- Sanitation and Environmental Health. The Choctaw Tribe has received commitments from HUD to provide 100 low-income housing units in which IHS is to provide sanitary facilities. We will receive an additional 200 units in 1982. As such, we would respectfully urge an increase in this item for FY 82.

  Perhaps even more important for the Mississippi Band of Choctaw Indians is the necessity of an appropriation under P.L. 86-121, for sanitation for existing housing, which has remained without an appropriation for four years. While sanitation for new housing starts is important, current housing with inadequate sanitation is most often not replaced by these new housing units. We, at this point, have 187 substandard housing units on the reservation which are in dire need of sanitation facilities.

- Contract Health Care. The amount of funds appropriated to the Indian Health Service for Contract Health Care has been insufficient for many years. The Choctaw Service Unit Contract Health Program operated with a budget of over $100,000 in deficit every year. During FY 81, the Indian Health Service received a 10 per cent mandatory increase while our primary referral hospitals in Meridian and Jackson raised their rate by 26 per cent effective January 1, 1981. Without additional funds, these services will have to be reduced and many patients will not receive health care.

  We would like to bring to your attention that both reservation geography and the magnitude of current health problems ensure that large contract health care expenditures will be necessary through this century before it can be reduced to a minimum when the health status of the Indian population equals that of the general population. We urge the Subcommittee to consider appropriation of sufficient funds based on need as proposed by the Indian Health Service for Contract Health Care services.

- Tribally-operated programs. A major intention of P.L. 93-638 is being carried out on the Choctaw reservation. Plans are being made by the Tribal Council to assume total control of the remaining components of the Choctaw Health Center which are currently operated by the Indian Health Service. Several obstacles have arisen and hindered tribal administration. It has come to our attention that indirect costs appropriation is being held at FY 80 levels. In other words, indirect costs for newly contracted programs will have to be absorbed by existing program funds, which, unavoidably will result in a decrease in services. Tribal contracting means a decrease in services, is this the intention of P.L. 93-638?

  This is not only an extreme example of unfairness, but does not conform with the provisions of OMB Circular 74-7. Should IHS be expecting increased costs in this area, the budget for Tribal Management Support should

be increased so that the indirect costs rates established by the cognizant agencies can be honored.

Budgetary policies have partially thwarted tribal efforts to contract by preferential treatment for federally-administered IHS operations, over those administered by tribes. Contracted operations were funded at a program-in-place level. IHS direct operations were also base funded at the same levels, but in addition, received mandatory increases for employee pay raises. BIA passes these increases along to tribes, but IHS evidently does not. We believe tribal employees are as deserving of pay increases as IHS employees. In terms only of service levels, it is advantageous for tribes not to contract. Our tribe, I might point out, has now contracted for just more than half of the IHS operations on the reservation; and will continue on this course.

- Construction. There are two relatively small-scale construction requests that the Mississippi Band of Choctaw Indians would like to make.

  The Bogue Chitto Community in northeast Neshoba County, the second largest of the Mississippi Choctaw communities, has only 360 square feet of clinic space in a building used for a number of other purposes. This clinic space, which had to handle in excess of 4,000 outpatient visits, is totally inadequate. The cost of a 2,400 square foot adequate facility would be $300,000.

  Secondly, we have been working with the IHS in planning for a dental facility within the existing Choctaw Health Center. In order to provide for adequate dental care, we will need to extensively renovate the lobby area of the Health Center and purchase dental equipment, at an estimated cost of $390,000.

Social Services

We would support the concept of block grant funding for tribes in the area of social services, directly from the federal government rather than through the states.

A specific area in which tribes need a great deal of help is in implementation of the Indian Child Welfare Act of 1978, which is one of the most comprehensive and complex pieces of legislation impacting on tribal jurisdiction.

In the past courts and social workers arbitrarily placed Indian children in homes under the broad assumption that adoptive parent capabilities to provide the physical necessities of life for the Indian child were primary factors to health development. Unfortunately, evidence proved that a child's identity with his relatives and maturation with culturally acclimated peers were, indeed, the most important factors to healthy child development. This law, then, intends to halt past assumptions and assert new procedures to insure the best interests of the Indian child are considered.

The budget requests for Indian Child Welfare Act implementation, hwoever, have fallen very, very short of actual need and have to some extent been funded by taking funds from other needed programs. We would recommend a substantial increase here to reflect the

complexity of the jurisdictional issues involved and the special needs of Indian children.

Roads

A vital part of development and maintenance of the reservation economic infrastructure are tribal road and highway systems administered by the Bureau of Indian Affairs. The number and condition of reservation roads is crucial to a reservation's potential for economic growth. Conversely, a reservation in which the potential for economic growth is beginning to be realized through the development and construction of major industries and businesses can see a halt brought to that progress and the possible failure of the develoment drive, without an adequate roads infrastructure.

For the past four or five years, the Congress has committed a large number of dollars to reservation road construction. It should be emphasized that these funds are crucial for tribes because, for some unknown reason, tribes do not receive any share of Federal Aid Highway funds. But the Bureau has been "playing games" with these funds for years--failing to commit construction contracts during the years for which they were appropriated, and, at times, using roads construction funds for programs having no connection with roads, such as safety management. In the face of actual roads construction under-expenditures the Congress, understandably, has reduced the appropriations for roads.

The Bureau currently allocates roads funding among areas based on three weighted factors: the total Indian population in the area, the total number of trust acres in the area, and the number of miles of existing roads. These three factors are then balanced equally and the funds divided up. This formula is not conducive to reservation economic growth because it does not take into account the rate of current growth. Our reservation, for example, only receives funds for 1.25 miles of road construction per year! With 110 miles of existing roads, 80 of them needing pavement, the absurd nature of the situation is apparent. Currently, there are four highway bridges out of commission and there are no prospects for their replacements.

Though the Roads program is extremely important to reservation development, it has continually received short shrift from the Bureau administration. We would request that the Subcommittee raise the Roads appropriation while at the same time implementing a mechanism to make the Bureau accountable in its Roads operations.

Housing

At Choctaw, our housing situation constitutes one of our greatest problems. A 1974 survey of our reservation indicated 403 housing units needed replacement and another 123 houses were overcrowded due to families "doubling up." The magnitude of this problems becomes clearer when it is remembered, as earlier pointed out, that our tribe consists of some 4,300 members, most crowded into 17,000 acres of reservation land. Measures taken by the Jackson Area Office of HUD have only made the problem greater. In 1975, one year after the survey, the Jackson Office allocated us 200 additional units of housing. We have still not received those units; and, in the meantime, our housing needs have continued to gow. In the face of this crisis situation, the BIA Housing Improvement Program has proven to be extremely valuable in slowing up the decline in our housing conditions. I believe this is true on other reservations as well, and I would urge that HIP funds be considered by the Subcommittee as an essential service and

that the HIP appropriation within the Indian Health Service line not be reduced.

Improvement Program has proven to be extremely valuable in slowing up the decline in our housing conditions. I believe this is true on other reservations as well, and I would urge that HIP funds be considered by the Subcommittee as an essential service and that the HIP appropriation within the Indian Health Service line not be reduced.

Early Childhood Education

For the past 7 years, the tribal government has operated a pilot demonstration early childhood education program, funded by the Bureau, known as the Parent/Child Development Program, or PCDP. Not only has this program been a great success on our reservation; it has also pointed up the high level of need for preschool programs for children going on to Bureau schools that function as a catalyst in bringing together health, nutrition, education, psychological, and social services. Some of the measurable benefits of this program have been increased English language capabilities of both children and parents, a decrease in the incident of infectious early childhood diseases, and increased parent/child and parent/school interaction in a format which encourages a home focus on the needs of the individual child.

Coordinating BIA resources with those of the Head Start program, we have proven that children's test scores can increase greatly, and that early exposure to cognitive stimulation has a direct impact on performance in the BIA schools. We have also demonstrated the extent of preschool need on all reservations.

As such, we are requesting the Congress to increase the BIA school operations line and revise upward the Indian school equalization plans formula to fund adequate preschool programs at the reservation level nationwide.

Law Enforcement and Court

As higher court rulings concerning Indian law make the questions of jurisdictions exceedingly more complex, tribes are finding themselves increasingly in a shortfall position with regard to police services and the operations of tribal courts. These shortfalls are not only in budgeted levels, but also in the training and technical assistance given to tribal judges and law enforcement staff.

This area must be beefed up, and in the near future. With the economic decline and the coming cuts in federal programs, we can expect a large increase in petty theft on the reservation. Already we have a tremendous problem on the reservation with the theft of gasoline from tribal vehicles and thefts of items from homes and personal vehicles.

Meanwhile, pay rates for BIA officers and tribal judges remain too low to attract persons with the necessary expertise to enforce and interpret statutes and court rulings in the nation's most complex jurisdictional situation. Our tribes which only recently had its sovereignty reaffirmed by the Supreme Court has felt the jurisdictional "crunch" perhaps most acutely, but all tribes face a gap in resources and expertise in the area of the law which is dangerous to the safety and well being of their tribal members.

Economic Development

In order to eliminate, over the long term, the need for the essential services which I am urging the Subcommittee to consider increasing or retaining at the same level, it will be necessary to actively encourage reservation economic development, as I described at the beginning of my presentation. In terms of the budget for the BIA, this means increased appropriations for the Revolving Credit Program and the BIA Industrial Development Office, and renewing funding for Indian Financing Act grants, for which zero dollars have been appropriated the last two years.

To develop, Indian people must have both control and financing. The federal role in this development process should be one of providing a favorable climate for economic development. A favorable economic development climate for Indian tribes will necessitate policy changes to allow tribal governments to establish Indian development processes, using Indian labor, Indian resources, and Indian creativity. Also, the government should also increase appropriations in other areas for capitalization of necessary community facilities, enterprise development, and other essential community support systems, and by providing alternative means of acquiring capital resources.

Self-determination cannot and will not be realized until the national Indian community is able to convert its resources, both human and natural, into marketable products.

In fact, during the campaign in September, President Reagan told Indian people that: "Economic self-sufficiency will be a goal of my Administration, both in Indian affairs and in the nation at large. It would work to make available financial, technological and management assistance which will enable tribal enterprises to develop their own projects for self-sufficiency. This will result in the reduction of income dependency and an increase in productive employment -- which are the desires of Indian people."

Thank you for having given me the opportunity to make this presentation.

Statement of the Chippawa Cree Business Committee, Montana

Rocky Boy is the smallest and economically the poorest Indian reservation in the State of Montana. The land base is approximately 108,000 acres, located in the Bear Paw Mountains.

The present Business Committee (Council), a governing body of nine members, are all newly elected officials except for two members. Our present economical status is not good, and the Business Committee is very concerned that this be changed. We work closely with the Bureau of Indian Affairs staff and are concerned with the BIA budget allocation.

The Business Committee is aware of the direction that the economy is going, and we would like to increase business ventures to cut backs on our dependence on government money.

In order for us to develop an economic base, we rely on the BIA to hold up their own, as a part of our overall government structure. The Chippewa Cree Business Committee has also taken on more BIA/tribal contracts under P.L. 93-638.

We are requesting increases in tribal courts, social services, self-determination, and a special add-on for the Indian Action Team Program.

The Indian Action Team Program would be directed towards a centralized system and economic business ventures for our people set up under the tribe.

Listed is a budget breakdown for Rocky Boy's Agency:

Education - 207.3 (thousands)
-Education sub-total 207.3

Agriculture Ext. 26.4
Tribal Courts 10.0 + 40.0 Add-on
Social Services 43.2 + 40.0 Add-on
Law Enforcement 196.3
Housing 42.7
Self-Determination 87.5 + 15.0 Add-on
-Indian Services sub-total 708.4
Credit & Financing 32.8
Adult Vocational Training 92.7
Road Maintenance 111.4
Indian Action Team 580.0 Special Add-on
- Econ. & Employment sub-total 816.9
Agriculture 53.3
Forestry 39.1
Wildlife & Parks 10.8
-Natural Resources Sub-total 103.2

Real Estate Services 13.7
- Trust Res. Sub-total 13.7

Program Dev. & Budget 15.2
Executive Direction 39.7
Administrative Services 24.6
- Management & Admin. Sub-total 99.5

- Total Budget - 1,949.0

The above budget would be a great benefit to the Chippewa Cree Tribe's economy and social well being for future years to come.

Thank you.

Statement of the Colorado River Indian Tribes, Arizona

The Colorado River Indian Reservation contains 268,691 acres of which 77,291 are in agricultural use at the present time. The Colorado River Indian Tribes has 2,400 Indians and an estimated 2,000 non-Indians residing on the reservation.

The present road system in the Bureau of Indian Affairs System Inventory is 372.3 miles of which 100 miles are asphalt pavement, 150.5 miles are oil primed surfaces, 36.0 miles of gravel and 18 miles is of earth surfaces. The remainder is undeveloped roadways. The highway system contains 35 bridges, one across the Colorado River constructed in 1979 and 34 other bridges across canals, drain ditches and natural drains for a total of 2,473 linear feet.

Route #1, Mohave Road is a major arterial road providing for intercounty and interstate travel. This road services the traveling public from Parker, Arizona to Blythe, California. This roadway handles as much traffic as any State Highway, therefore, this roadway is our number one priority.

The other oil primed surface roads on the reservation are deteriorating. The primed surface has a life expectancy of from three to five years. Many of the primed roads have been in use as long as 20 years. Due to the age and condition of the oil primed roads, maintenance funds are not available to resurface these roadways.

Construction funds are programmed for 1981 for the replacement of two bridges that are unsafe. They have to be replaced at an estimated cost of $580,000, therefore, additional construction funds are needed to do the needed construction project. These projects are needed immediately. The condition of these roads is such as it presents hazardous conditions to the traveling public. The agricultural products are moved over these roads to market. If the oil primed surfaces were returned to gravel surfaces, due to the heavy dust conditions in Arizona, this would prevent sensitive crops from being raised. This would have an adverse effect on the income of tribal members. Therefore, we request that additional construction funds in the amount of $3,958,018. This would be used to overlay the primed surfaced roads with hot bituminous concrete pavement. This would bring our present road system into a satisfactory level and maintenance could be performed at a satisfactory level.

REQUEST FOR FUNDS

The first congressional legislation authorizing irrigation on any Indian Reservation was the Act of March 2, 1867 (14 STAT. 514-515). This act provided for the construction of a canal for irrigation of the lands on the Colorado River Indian Reservation. Since that time congress has provided appropriated funds to expand the Irrigation System. The funding has been slow in coming so the Colorado River Indian Tribes initiated a practice of long-term development leases. This practice provided a lessee land at a very low rental rate for periods of twenty to twenty-five years and in return the lessee would develop the land and the irrigation system.

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Through these programs the Irrigation Project has 77,291 acres of land under irrigation. However, this falls well short of the authorized 107,000 acres for the authorized project. As the irrigation project and improvements were made it became necessary to provide electric power to the irrigation system, reservation and surrounding areas. At the time there was no public utility in the area to provide this service so the Colorado River Irrigation Power Unit was established to provide power to the Irrigation Project and surrounding area.

The Colorado River Irrigation and Power Project is self sustaining as operations and maintenance assessments are made to the land owners for the delivery of irrigation water and the 4,500 power customers are billed at rates which provide for the operation and maintenance of the power system.

The Project helps to insure an adequate food supply for America. The weather and soil conditions are such that most of the land can be double cropped, and are ideal for growing alfalfa at 10 tons per acre, cotton averages 2.6 bales per acre, along with wheat, lettuce, all kinds of melon, tomatoes, squash, and a variety of garden vegetables. In 1980 the total value of crops from the 77,291 acres was $63,675,206 or an average of $823 per acre.

We need help in obtaining additional funds to complete the project.

In Fiscal Year 1979 a contract was awarded for the rerouting and concrete lining of 6.5 miles of the Main Canal. This project brought this section of the canal up to the capacity and quality of the rest of the Main Canal eliminating a great deal of seepage. The contract was awarded for $6,642,350, of this amount $4,942,354 was available in the Fiscal Year 1979 and prior programs. $1,375,000 was available in the Fiscal Year 1980 program, the remaining $324,738 for construction and $250,000 for contract administration and inspection were programed in the Fiscal Year 1981 program. The Colorado River Irrigation Construction funds for Fiscal Year

1981 or Fiscal Year 1982 and will leave a deficit owed to water and power resources of $574,738.00 for the construction of the Main Canal.

The best land remaining to be incorporated into the irrigation system is in the southern part of the reservation. It is necessary to extend the canal system into the area prior to development. The design of this required system is about 50% complete but funds are required to complete the design and construction. The estimated cost of completing the first phase of this project is estimated to cost $3,000,000.00. We request your assistance in obtaining funds in the amount of $3,574,738 irrigation construction funds for Fiscal Year 1981.

In 1976 the Bureau of Reclamation (now Department of Energy) withdrew a substantial amount of Power and Energy from the Colorado River Irrigation Power Project. This made it necessary to find an alternate wholesale power supply. A power and energy supply agreement was made with Arizona Public Service to provide the required power and energy. The cost of power and energy from Arizona Public Service is approximately 500% more expensive than Department of Energy power. The Bureau of Reclamation (Water and Power Resources) prepared a General Feasibility Investigation to construct a 19.5 megawatt power project at Headgate Rock Dam. The project would consist of 3 - 6.6 megawatt tube turbine units placed in three of the control gate positioned at the dam. The hydroelectric power facility would provide an economic, pollution free, non-depleting source of power with a cost benefit ratio of 1.5 to 1. All of the studies done by the Western Energy Expansion Study showed this project in the first or second priority as being the most feasible. There was $500,000 appropriated in Fiscal Year 1980 to get the design started, and $780,000 in Fiscal Year 1981 to continue the design. No funding is scheduled for Fiscal Year 1982. Design of the Hydroelectric plant is scheduled to be completed in July 1981. The estimated cost of construction, contract administration and inspection is $40,024,000 and should be funded within three years so that construction can continue to completion.

We request your assistance in obtaining $12,500,000 to begin the construction of this Hydroelectric Power Plant.

TRAVEL RESTRICTIONS RELIEF

At the present time the Colorado River Irrigation and Power Unit are operating GSA leased and Unit owned vehicles and are charged to the same account as the travel for the rest of the Agency. This presents an extreme hardship on the Colorado River Agency because of the travel requirements of the Irrigation and Power Units. The funds for travel for operation and maintenance of the Irrigation and Power Unit are generated through collections for services performed. The funds for travel for the rest of the Agency are provided from appropriated funds. Because the funds for travel, operations and maintenance fees are collected for services rendered, it is felt that this travel should be exempt from the travel restrictions imposed on the Agency for travel which uses appropriated funds.

The Colorado River Irrigation and Power Unit serves an Irrigation Project of 77,291 irrigated acres on the Colorado River Indian Reservation and will expend to 107,000 acres as funds become available and 4,500 power customers from Parker Dam, California to Ehrenberg, California, an area of 945 square miles.

The project is self sustaining. The water users are charged an operation and maintenance rate of $16.00 per acre per year for five acre feet of water. If additional water is available and used, the excess water rate is $3.50 per acre foot. These charges are increased as additional funds are required to support the increased cost of services.

The Power Unit sets residential, commercial and irrigation pumping rates at a level which will provide for all maintenance, repair, operation and [illegible] to the Federal Government loans for construction.

The services provided by the Irrigation and Power Units are absolutely necessary for the proper function of the systems. For example: The irrigation system operators must make the necessary rounds of a district

to check the level of the water in the system and change the delivery points. If this travel is curtailed it would be disasterous for the operation of the system as the water deliveries could not be made and there could be canal breaks; the maintenance crews are responsible for keeping the water delivery system in a high state of maintenance. This includes keeping the brush and grass cleared from the ditch banks by use of herbicides and mechanical equipment, cleaning the moss from the canals which restrict the flow of water and keeping the drains clean so the water can flow freely. If the travel of these crews is curtailed it would cause a restriction in the flow of water so that the water commitments could not be met. The drains would fill and cause a high water table in the land causing a reduction in the productivity of the land; the power crews are required to construct new service lines, maintain existing lines, read the meters and connect and disconnect the customers as requested. The curtailment of travel of these crews would restrict the service that the customer is paying for. It would restrict the ability of the Power Unit to bill the customers for service rendered and the power system would deteriorate rapidly.

The Colorado River Irrigation Unit has reduced the travel of the operation and maintenance crews to a minimum and has cut travel by 20% since 1976. The Power Unit is using better scheduling and trying to reduce the number of trips and vehicles necessary on a job where possible. Therefore, we request that the Colorado River Irrigation and Power Unit be exempt from the travel restrictions imposed on the Colorado River Agency.

INTRODUCTION

Good morning (afternoon). My name is Anthony Drennan and I am Chairman of the Colorado River Indian Tribes.

The Colorado River Indian Tribes have a population of 2,245 and include Mohave, Hopi, Navajo, and Chemehuevi Tribal members. The Colorado River Indian Reservation, on which most Tribal members reside, is located in

Yuma County, Arizona and in the Riverside and San Bernardino counties of California.

The Colorado River Indian Tribes are deeply concerned about the health of their people. Our Tribal Specific Health Plan indicated to us that our mortality rates when adjusted for age are higher than the mortality rates for the entire state of Arizona. Moreover, morbidity rates for respiratory illness, diabetes, and complications of pregnancy, most common causes of of morbidity within the Colorado River Indian Community are again higher for our community than for the entire state of Arizona. This data shows us that the health status of our people is not at parity with the health status of the Arizona non-Indian population. (See Appendix A for supporting information).

In order to improve the health status of our community, a series of alterations in the Indian Health Service health care delivery system on the reservation must occur.

Present health care resources are seriously inadequate and fail to meet the growing demands for quality care services. The basic facility which provides inpatient and outpatient services to our Tribe and four other Tribes within the Service Unit is a fifty year old facility with deteriorated and obsolete equipment, space deficiencies, and layout problems. Only general and routine patient care is administered at this facility. In order to receive secondary and tertiary care, patients must be referred to Phoenix Indian Medical Center a distance of 180 miles away.

Presently, a facility feasibility study is underway to determine the current facility needs of the Tribe. Replacement of the facility is top priority for the Tribal Health Department. By the end of the fiscal year, the Tribal Health Department in cooperation with Indian Health Service will have completed the study and begun to pursue the next steps towards constructing the new health facility.

In the meantime, the Tribe deserves to address its current health resource needs. We are requesting a specific line item appropriation of $122,400 to be used during fiscal year 1981-1982 to hire and maintain:

I. A fourth physician to provide direct patient services to members of the Colorado River Service Unit.($45,900)

II. A health educator to plan, coordinate, and implement a health education program specifically designed to service the Colorado River Indian Tribe only. ($28,500)

III. A medical social worker to provide guidance and counseling for individuals relative to resources that are available and relative to their acceptance of illness. ($32,500)

IV. One full time secretary to provide clerical support to the health educator and medical social worker. ($15,500)

The following testimony will be brief and to the point. Further substantiation of our needs have been attached in the appendices.

I. FOURTH PHYSICIAN

The current level of physician staffing at the Colorado River Service Unit Hospital fails to meet the needs of the Service Unit population. Workload data, expressed in terms of outpatient visits and inpatient days for fiscal year 1980 indicated that there were 18,780 outpatient visits and 2,401 inpatient days. Utilizing the IHS Resource Allocation Criteria, the required physician staffing for the Service Unit is five physicians (three for inpatient services and two for outpatient services). Currently, only three positions can be authorized within the funds available. Therefore, the unmet need is two physicians, the total cost of which would exceed $81,800 per year.

Although the total unmet need is two physician positions, one is urgently needed. Therefore, we request that an additional $45,900 be provided

to increase the authorized staffing by one position during fiscal year 1980-1981. (See Appendix B for supporting information).

II. HEALTH EDUCATOR

The past decade or more has proven beyond doubt that one present IHS Health Educator position is grossly inadequate to meet the needs of the Colorado River Indian Tribe. One can only look at the morbidity data for the Tribe and determine this. Most prevalent sources of morbidity within the tribe, namely accidents, respiratory illness, adult onset diabetes, and complications related to pregnancy, indicates the absence of an effectively implemented comprehensive health education program. The health educator within the Colorado River Service Unit is expected to exhibit superhuman qualities. He is expected to effectively service four other Tribes the farthest of which is 280 miles away, and is also called upon to perform staff responsibilities for the IHS management system at Parker. These overburdensome duties cause him to provide the Colorado River Indian Tribes with sporadic services totalling to only one week per month.

Therefore, the Colorado River Indian Tribes request that an additional $28,500 be provided to hire a health educator to plan, coordinate and implement a comprehensive health education program on the reservation. (See Appendix C for supporting information).

III. MEDICAL SOCIAL WORKER

At the present time, there is a medical social work position within the Colorado River Service Unit. This person has responsibilities to five different Tribal locations. These are Colorado River Indian Tribes, Supai, Hualapai, Fort Mohave, and Chemehuevi.

Like the health educator, the social worker spends much of his time on the road. Approximately, one half of his time (2½ days per week) is spent traveling.

Because of the current travel and workload, only a small portion of the social worker's time is actually spent in contact with members of the Colorado River Indian Tribes. The social worker has reported that although there may be as many as 120 contacts per month, actual contacts with Colorado River Indian Tribal members usually will not exceed 20.

Therefore, we request that an additional $32,500 be allocated to hire a medical social worker to provide guidance and counseling to Colorado River Indian Tribal members relative to resources that are available and relative to their acceptance of illness. (See Appendix D for back-up information).

IV. SECRETARY/CLERK

With the addition of a health educator and medical social worker, support services will be needed. Utilizing the Resource Allocation Criteria a health educator needs the support of 1.5 clerk positions. Similarly, a medical social worker requires the same number of clerk positions. Although three additional full-time clerk positions are required, the total cost of which would exceed $46,500, we request that an additional $15,500 be provided to hire one clerk. The clerk/secretary would provide support services to the health educator and medical social worker. (See Appendix E for supporting information).

CLOSING REMARKS

In closing, we wish to thank the Committee for allowing us to present our oral testimony.

We would appreciate the committee's favorable decisions to provide the funding assistance required to alleviate the immediate problems facing our people today.

We welcome any questions from you at this time.

Statement of the Nisqually Indian Tribe, Washington

Mr. Chairman, members of the Committee, my name is George Kalama. I am chairman of the Nisqually Indian Tribe in the State of Washington and I am here today to testify on behalf of my Tribe and the treaty fishery interests that are so important to us. I sincerely appreciate the opportunity to present the statement to you today.

Most important among the obligations undertaken by the United States when it entered into treaties with the various Indian tribes are the obligations to protect and conserve the lands and natural resources reserved by the tribes and to provide for the implementation of treaty fishing rights. These obligations have been solemnly upheld and enforced by the highest courts of the land since the earliest days of this Nation. In the Northwest, the treaty-secured natural resources that serve as the cornerstone of tribal well being are the salmon and steelhead fishery resources that spawn in our rivers and pass through our marine waters. Tribes in other parts of the Nation have different natural resources that are just as important to them. For each of us, the Trust Responsibilities budget of the Bureau of Indian Affairs plays a crucial role in protecting these resources and the tribal rights that attach to them. Therefore, we are making this special request that the BIA's budget for treaty fisheries and for other trust matters be maintained at present or higher levels to assure services consistent with the National trust responsibility.

In addition to our concern for the National trust responsiblity, we also have a specific request respecting the treaty fishery resources upon which the Nisqually Indian Tribe depends. In 1980 the Congress appropriated funding for the Nisqually Tribe to carry out design and preliminary engineering work for fisheries enhancement facilities to be located at Clear Creek along the Nisqually River, and today we are seeking your assistance and support for the appropriation of the funds necessary to complete construction and to begin implementation of that project. $700,000 was appropriated for this preliminary work in Fiscal Year 1981, and our cost estimates indicate that it will take approximately an additional $5,000,000 to complete this project through construction. We are therefore requesting $5,000,000 as a special add-on appropriation for the Nisqually Tribe's fisheries program for the coming year.

Since 1974, when the federal courts first began to enforce decisions implementing Indian treaty fishing rights in Western Washington, the Nisqually Indian Tribe has played an important leadership role in bringing about agreements between the State and Tribal managers for the cooperative management of Southern Puget Sound fish runs. Since Nisqually River salmon and steelhead must migrate through virtually every variety of treaty Indian and non-Indian fishery before they return to the terminal area fisheries of the Nisqually Tribe, both the State and the Tribe have a significant interest in protecting them from environmental problems and overfishing throughout their life cycle. Working together to provide these protections, we can ensure that enhancement of Nisqually fish runs will achieve the Tribal and State goals of fully implementing the Tribe's fishing rights while improving the benefits to the wide variety of non-Indian commercial and sport fisheries who participate in their harvest.

The Nisqually Tribe and the State of Washington have taken two major steps toward implementation of our mutual goals for these fisheries. The first, and perhaps the most significant, is the negotiation of a long range comprehensive plan for the fishery resources of the Nisqually Drainage. The centerpiece of this plan is the major hatchery facility at Clear Creek, a tributary to the Nisqually River within the portion of the Nisqually Reservation presently shared with the U.S. Army at Fort Lewis. This facility is the project for which the Congress provided design and preliminary engineering work funding in the U.S. Fish and Wildlife Service FY 1981 budget, and we are seeking $5,000,000 to complete the project in FY 1982.

The minimum production objective for the Clear Creek hatchery facility is: 45,000 pounds of chum salmon at 400/pound; 6250 pounds of chinook at 100/pound; 12,500 pounds of coho at 20/pound. This represents an 18-fold increase in the artificial production of chum salmon which, at a 1% survival rate, would potentially result in 180,000 additional adult chum salmon avail-

able for harvest by the various tribal and non-Indian fisheries. Chinook salmon would be increased by 52% over the existing artifical chinook salmon production for the system, and coho production would be increased more than 100% over the annual average for the previous decade. While production volume capacity may be adjusted to provide for the most efficient utilization and integration with other plants in Southern Puget Sound, there can be no doubt that this enhancement would help return the Nisqually to its highly productive status of several decades past, and that the Nisqually Tribe, as well as the many other treaty Indian and non-Indian fishing interests that benefit from Southern Puget Sound fish runs, will derive great benefit from this investment.

The second major cooperative step taken by the State and the Nisqually Tribe is the joint effort to secure flows past the hydroelectric projects along the Nisqually River to fully support the fish runs originating there. Without this effort, hatchery enhancement efforts could be futile. Working together, the Tribe and the State have secured vastly improved flows in the river, and are continuing to work through the Federal Energy Regulatory Commission to obtain flows that are fully adequate to the needs of the fishery resources so the potential benefits from hatchery protection on the Nisqually River can be fully achieved.

The Nisqually Tribe's own track record in fisheries enhancement can best be illustrated by describing the results of the Tribe's small "drought relief" enhancement project funded through EDA's Drought Relief Program in 1978. The Nisqually Tribe built a small rearing pond for salmon at one of the Reservation sites. The Tribe obtained the State's cooperation in securing approximately 300,000 coho. The Tribe was able to then rear some 300,000 coho, and to release them in the spring of 1979. Those fish returned as adults in the fall of 1980, supporting treaty Indian and non-Indian fisheries from the Pacific Ocean all the way through the Juan de Fuca Strait and down into Southern Puget Sound. Based on the recoveries of coded-wire-tags, the Tribe and the Washington Department of Fisheries have estimated that a record 20% of the coho released from the Nisqually project survived and returned to be caught in the various Washington fisheries. This is a phenomenally high survival rate, indicating an excellent enhancement potential for the Nisqually River and for the proposed Nisqually Tribal facilities at Clear Creek.

To date, the Nisqually Tribe's ongoing fisheries management program and its small enhancement efforts have produced the intended benefits to the Tribal economy and individual families, giving visable expression to the Tribe's treaty fishing right. With our long term cooperative agreements with the State of Washington finally in place, the realization of new production expected from the proposed Clear Creek hatchery facility, will flow to the State's economy both through our Tribe and through the entire range of Coastal and Puget Sound non-Indian commercial and recreational fisheries.

Although we recognize that purse strings are tight because of the national economic problems, the project for which we are seeking a special appropriation should not be delayed. It takes a minimum of four years from the time of funding construction of a major enhancement facility before the actual benefits are felt by the range of fisheries within the State. Our project would benefit the widest possible range of tribal and non-Indian fisheries because of its location at the far end of south Puget Sound, and it would produce the broadest economic benefit to the State as well as to our Tribe. In terms of the potential for hatchery production shown by our smaller project, and because of the depressed state of Northwest tribal and non-Indian fisheries, our proposed project would be an excellent investment at any time. Given the greater economic need now, and the fact that the Nisqually Tribe and the State of Washington have reached a long-term agreement pertaining to the enhancement and management of these and related fish runs, we believe this project must go forward quickly, in 1982.

Mr. Chairman and members of this Committee, for all of these reasons, the Nisqually Tribe respectfully request your assistance and support for funding the construction phase of our proposed Clear Creek enhancement facility in FY 1982. Thank you for your attention.

Statement of the Cheyenne-Arapaho Tribe, Oklahoma

The future of the Cheyenne-Arapaho Tribes depend on their ability to develop a socio-economic independence of Federal and State programs.

This can only be achieved by a systematic, well coordinated approach to the Tribal/Governmental partnership for the next few years.

It is absolutely imperative that a well coordinated planning, budgeting, and implementation schedule be achieved between the Cheyenne-Arapaho Tribes, the Bureau of Indian Affairs, the Indian Health Service, and the Department of Education.

The Cheyenne-Arapaho Tribes submit this testimony in support of such a coordinated partnership.

The Tribes believe that such independence can only be achieved by developing the natural resources and geographic advantages held by the Tribal trust lands and Tribal assets into a strong, viable economic base. The agri-industrial combination enjoyed by the Amana Colonies of Iowa best demonstrate the kind of total economic development envisioned by the Cheyenne-Arapaho Tribes.

The development of the economic resources depend on the availability of a trained or trainable work force. It is the approach of the Tribes to consider each tribal member as a resource to be developed according to the educational pattern best suited to the individual needs, interests, and abilities. Education, however, must be approached as a total system, as everyone is not geared to a college degree. It is also true that the vast majority of our Tribal population require vocational skills.

The total socio-economic development of the Cheyenne-Arapaho Tribal population depends on health maintenance, as well as crisis treatment programs. The mental health, as well as the physical well being must be considered.

These three priorities (economic development, health, education) are all encompassing, but do provide a focus for a total human system development approach. The attached testimony deals with these three priority areas.

We urge an adequate funding of these areas to allow us to develop the internal abilities and procedures as a partner with the Bureau of Indian Affairs, the Indian Health Service, and the Department of Education. The whole concept of the 638 Self-Determination act can be undermined if adequate funding and channeling of these funds is not allowed to develop Tribal capacities and abilities.

The Cheyenne-Arapaho Tribes of Oklahoma are pleased to submit the attached presentation to the House Interior Subcommittee on Appropriations. This testimony can only highlight the needs and priorities of the Cheyenne-Arapaho Tribes, as the committee considers the appropriations for the Bureau of Indian Affairs, the Indian Health Service, and the Department of Education.

Your consideration of our particular priorities, needs, and planned solutions are greatly appreciated.

SPECIFIC TRIBAL PRIORITIES

I. Economic Development

A. Development of Tribal Farm and Ranch Program

"Agribusiness and Farm and Ranch Training Program" proposal submitted under CETA, Title VII, NAPSIP

Program for Acquisition of Farming and Ranching Equipment and Livestock.

Feasibility Study on Tribal Irrigation Project

B. Land Use: Tribal Lands; Individual Trust Land

Minerals Development

Exploration and Identification of Mineral Resources.

Maintenance of Mineral Inventory and Control of all Tribal Lands and Land Interests.

Soil Conversation

Leasing of Indian-owned Trust Land

Options for Renegotiations of Existing Tribal Leases

C. Land Acquisition Program

Tribal Purchase of Individual Trust Land

Tribal Purchase of Non-Indian owned land and restoration of trust status

D. Tribal Department of Overall Economic Planning and Development

E. Full utilization of authorities and intent of PL 93-638, Indian Self-Determination for development of technical and administrative self-sufficiency.

SPECIFIC TRIBAL PRIORITIES

II. Education

A. Development of a Comprehensive Tribal Education Program

Development of Community College Group Homes Project

Development of "Total Child" Education Program including Basic Education, Social Education and Recreational Education

Expansion of Youth Programs

B. Concho Boarding School

Increase Funding Level to Provide for an Adequate Level of Services

Increase Diagnostic and Testing Services

Increase Counseling Services

Feasibility Study on Development of Concho as a Therapeutic Treatment Center

SPECIFIC TRIBAL PRIORITIES

III. Health

Introduction:

The Cheyenne-Arapaho Tribes have documented health problems and health care need far in excess of the non-Indian population residing in the same geographical area.

Many Cheyenne-Arapahos are denied the right in adequate health care and services afforded to the non-Indian population.

A lack of adequate health services is one contributee to the increase of mortality and morbidity among the Cheyenne-Arapaho Tribes.

A. Replacement Hospital

The present health facility does not meet the needs in the Clinton Service Unit and does not meet Medicare certification requirments.

A new facility would improve the ability of Indian Health Service to properly meet the health care needs of the Cheyenne-Arapaho Tribes.

B. Expanded Satellite Clinics

Present out-patient clinics are understaff, illequipped and undersupported.

Many Cheyenne-Arapahos lack the economic ability to receive care on an out-patient basis at Clinton. The main factor for this problem is the distance to Clinton from any Indian communities.

C. Comprehensive Alcoholism Treatment System

Cheyenne-Arapaho Tribes has the highest prevalence of alcoholism in the world among any ethnic group.

No comprehensive treatment system is available to the Cheyenne-Arapaho Tribes.

A fragmented approach to the treatment and prevention of alcoholism has been shown to be non-effective within the Cheyenne-Arapaho Tribes.

D. Expanded Community Health Services

The Cheyenne-Arapaho Tribes operate a limited Community Health Services program that has been shown effective within the limitations of its scope.

Many Cheyenne-Arapahos require additional services that are not available at the present time.

Expanded services in Community Health would improve the health status of the Cheyenne-Arapaho Tribes and provide additional support to direct health services.

Conclusion:

The Cheyenne-Arapaho Tribes recognizes the health problems of the Tribes and are committed to correcting the problems.

The Cheyenne-Arapaho Tribes requests the full support of the U. S. Government in assisting the Tribes address this undertaking.

STATEMENT OF THE ALASKA NATIVE HEALTH BOARD, ALASKA

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: MY NAME IS JIM CRIPPEN, MANAGER OF J&A, INC., AN INLIAN/ALASKA NATIVE OWNED ARCHITECTURAL AND CONTRACTING FIRM FROM ANCHORAGE. WE WOULD LIKE TO THANK THE CHAIRMAN FOR THIS OPPORTUNITY TO TESTIFY BEFORE THE SUBCOMMITTEE.

THE ALASKA NATIVE HEALTH BOARD HAS SEVERAL CONCERNS TO EXPRESS REGARDING THE DISPARITY BETWEEN THE PROPOSED OFFICE OF MANAGEMENT AND BUDGET AND THE CARTER ADMINISTRATION'S INDIAN HEALTH SERVICE BUDGET FOR FY'82. WE UNDERSTAND THE IHS BUDGET PRESENTED FOR FY'82 JUSTIFIED A $176 MILLION INCREASE BASED ON NATIONAL TRIBAL INPUT OF IDENTIFIED NEED. WE FOUND NO HINT IN PRESIDENT REAGAN'S MESSAGE OF FEBRUARY 18 THAT ANY GIVEN AGENCY'S BUDGET WOULD BE REDUCED BY MORE THAN 10%. YET, WE UNDERSTAND THAT THE TOTAL IHS INCREASE OF $176 MILLION HAS BEEN ELIMINATED BY OMB.

THEREFORE, WE SUPPORT THE POSITION OF THE NATIONAL INDIAN HEALTH BOARD,

NATIONAL TRIBAL CHAIRMAN'S ASSOCIATION, AND THE NATIONAL CONGRESS OF AMERICAN INDIANS THAT THIS COMMITTEE RESTORE A MINIMUM OF ONE-HALF OF THE IHS BUDGET INCREASE TO ENSURE AT LEAST A 40% LEVEL OF CARE TO IHS INDIAN PATIENTS.

HOPEFULLY THE COMMITTEE WILL CHANNEL A MINIMUM OF $53 MILLION OF THIS RESTORATION MONEY TO THE EQUITY HEALTH CARE FUND. OUR KANAKANAK HOSPITAL IS PRESENTLY THE NUMBER TWO PRIORITY IN MEDICAL FACILITIES NATIONWIDE. AS ALWAYS WE ARE ALSO INTERESTED IN WATER AND SEWER. A MAJORITY OF ALASKAN CITIES AND VILLAGES ARE WITHOUT WATER AND SEWER SYSTEMS. THE EXPLOSIVE COMBINATION OF MONTHS OF STORED HOUSEHOLD WASTE AND SUBSTANDARD MEDICAL FACILITIES IS NOT CONDUCIVE TO RESOLVING THE INDIAN HEALTH CARE PROBLEM. MORE INDIAN PROFESSIONAL FIRMS COULD BE UTILIZED ON AN "AS NEEDED" BASIS TO ENSURE THAT THE MAXIMUM IMPACT OF THIS ADDITIONAL FUNDING GO INTO THE ACTUAL FACILITIES.

WE ALSO SUPPORT THE CONTINUATION OF THE 638 OMBUDSMAN DESK AT IHS HEAD-QUARTERS. THIS "INDIAN RESOURCES LIAISON" OFFICE WILL GREATLY IMPROVE THE TIME FRAME FOR SELF-DETERMINATION CONTRACTS BETWEEN IHS AND TRIBES. WE CANNOT AGREE, HOWEVER, WITH THE PRESENT IHS INDIRECT COST RATE APPROACH. SELF-DETERMINATION CONTRACTS THAT DELIVER REDUCED SERVICES ARE NOT IN LINE WITH THE OPENING STATEMENT OF THE INDIAN HEALTH CARE ACT. WE CONCUR WITH NIHB IN THAT OMB SHOULD BE DIRECTED BY THE COMMITTEE TO RESOLVE THE INDIRECT COST ISSUE AT IHS.

FINALLY, WE WOULD RESPECTFULLY REQUEST THAT THE COMMITTEE TAKE A LONG HARD LOOK AT RESTORING THIS ADMINISTRATION'S CUTS IN BOTH THE ALCOHOL AND MENTAL HEALTH PROGRAMS. THE PRESENT INDIAN COMMUNITY ALCOHOL-RELATED DEATH RATE OF 50% IS ALARMING. ALASKA NATIVES, UNFORTUNATELY, HAVE A SIX TIMES GREATER ALCOHOL-MENTAL HEALTH-SUICIDE RATE THAN THE NATION'S GENERAL POPULATION. WE CANNOT CONCEIVE OF A SOLUTION TO THESE MENTAL HEALTH AND ALCOHOL PROBLEMS THAT DOES NOT INCLUDE ADEQUATE FUNDING FOR PROFESSIONAL HELP.

INDIAN HEALTH CARE NEEDS THE FULL ATTENTION AND SUPPORT OF THIS COMMITTEE. THE PRESENT LEVEL OF SERVICES IS INADEQUATE. INFLATION IS TAKING A LARGER BITE OUT OF THE BUDGET EACH YEAR. FUEL COSTS ARE NOW A VERY

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SIGNIFICANT BUDGET ITEM. WITHOUT AN INCREASE IN THE LEVEL OF FUNDING FOR INDIAN HEALTH SERVICE, HEALTH CARE IMPROVEMENTS ARE IMPOSSIBLE. THE CONGRESSIONAL SELF-DETERMINATION POLICY AND SOCIAL WELL BEING EXPRESSED IN THE INDIAN SELF-DETERMINATION ACT ARE IN NEED OF THE COMMITTEE'S FULL SUPPORT.

THANK YOU.

STATEMENT OF THE NAVAJO COMMUNITY COLLEGE, ARIZONA

Mr. Chairman, I am Mrs. Delores Edwards, President of the Board of Regents of Navajo Community College (NCC) Tsaile, Arizona.

Navajo Community College was chartered and established by the Navajo Tribal Council in 1968. Since then, the College struggled along until 1971, when the Congress enacted legislation to support the College. Of course, the appropriations to fund the College are controlled by the Bureau of Indian Affairs, (BIA) As a result, the College has been under funded for several years. To overcome this lack of adequate support from BIA, the Tribe and the College sought an amendment. This new amendment became Title II, of the Tribally Controlled Colleges Act of 1978. Title I, includes all other tribes.

A funding formula was a part of the new law, however, the BIA interpreted the intent of Congress in such a manner that NCC's operational budget was reduced by more than fifty percent. (50%) The Congress' intent was to provide sufficient funding based on student enrollment. In Fiscal Year 1981, BIA's action has resulted in reducing the College's budget from $6.4 million in FY'80 to $3.1 million. The Tribe and College attempted to rectify this severe reduction to no avail. Consequently, the Tribe and College had to seek a new amendment. The new amendment was passed by the Congress as a part of the Higher Education Amendments of 1981. (Attached Part F, of Public Law 96-374)

Section 1351. addresses authorization for construction over three (3) fiscal years. This was necessitated because the BIA neglected to submit any construction request for NCC in the first fiscal year. BIA also failed to submit anything for FY'81. Nothing was considered, as well, for FY'82. Nevertheless, the College is requesting as an add-on $27,035,000 for new construction. Of course, if the BIA agrees to transfer its old vacant Shiprock Boarding School to the College, the College can move in immediately. There still needs to be

extensive renovations on the plant. The College estimates renovation costs at $24,647,000. With extensive refurbishment, the usefulness of the buildings can be extended for fifty years.

Section 1351. (b)(1), addresses the College's present financial crisis, and hopefully, in the future, NCC will not have to bear the anguish of a severe budget cut.

The first issue I want to raise is the grave situation the College and Tribe are faced with, as a result of BIA's severe budget reduction. As I have stated before, the Congress has approved $3.1 million for FY'81. But, that is a sixty percent (60%) reduction compared to the amount received by NCC in FY'80. The new amendment, the Tribe and College assert, provides for funding annually, computed on the basis of the previous years actual expenditures, and more importantly, deletes the formula funding which is creating the funding reduction. The Tribe and College, in an attempt to reduce or eliminate this severe a reduction are seeking a supplemental request of $3.233 million to add to the $3.1 already approved.

A more critical situation is to assure that cash-flow is uninterrupted for the balance of FY'81. We have requested that Department of Interior and BIA to reprogram such funds as will be necessary to prevent closure of the College. And when supplemental appropriations are approved, the BIA can replenish its funds. This will bring the FY'81 total funding for the College to $6.4 million. This is the identical amount the College received in FY'80. When computing inflation cost factors, the $6.4 million for FY'81 is a reduction of over twenty percent (20%) over the purchasing power of that same amount in FY'80. So, in reality, the College will have been reduced twenty percent (20%) in FY'81 rather than the sixty percent (60%) it now faces.

Section 6., provides for allowing NCC to participate in seeking Federal financial assistance through programs addressing post-secondary education and training.

Secondly, I would like to cover the FY'82 budget needs. The College has offered to work in cooperation with the BIA to develop rules and regulations, a funding mechanism, and an evaluation/audit process to implement the new amendment. To date, the College has not had a response. This lack of timely responsiveness on BIA's part has aggravated the FY'82 budget process so that, we understand, BIA has submitted a budget

request for NCC in FY'82 of $3.1 million. This is the same amount the Congress has already approved for FY'81. When we asked why, the BIA's response was, there was nothing else to base its request on.

Since reminding them of the existence of a new Law, they appear to be receptive, however, it may mean another "supplemental request" in FY'82 to rectify the BIA's "oversight".

The College is forced to work against forces in BIA that undermine a "partnership approach," or a working atmosphere that promotes and fosters success of the Navajo Tribe's postsecondary education and training endeavors. Consequently, the College places great reliance on the Congress, especially because the Congress' support has insured its survival in previous years.

With some apprehension about BIA and what it will be doing for NCC for FY'82, we would like the Committee to consider a request of $7,365,750. This is assuming that NCC will have recovered in FY'81 a total of $6,405,000 and adding fifteen percent (15%) for the FY'82 request. $6,405,000 is the figure which represents "actual need of the previous year" plus 15% for inflation.

In addition, as authorized in the Navajo Community College Assistance Act, short title, the College requests an add-on of $20,070,921 for its second phase construction. This includes additional dormitories, staff/faculty housing, and five extension facilities. The Navajo reservation compares in size to the state of West Virginia. In order to provide educational opportunities reservation-wide, there needs to be facilities in densely populated areas.

This concludes my testimony. Mr. Chairman, thank you for your patience and attention.

PART F—THE NAVAJO COMMUNITY COLLEGE ASSISTANCE PROGRAM

AMENDMENTS TO THE NAVAJO COMMUNITY COLLEGE ACT

SEC. 1351. (a) Section 5(a)(1) of the Navajo Community College Act is amended by striking out "two" and inserting in lieu thereof "three". 25 USC 640c-1.

(b) Section 5(b) of such Act is amended by striking out paragraphs (1) and (2), by redesignating paragraph (3) as paragraph (2), and by inserting immediately before such paragraph the following:

"(b)(1) There is further authorized to be appropriated for grants to the Navajo Community College, for any fiscal year beginning on or after October 1, 1979, an amount equal to the amount necessary for operation and maintenance of the college, including, but not limited to, administrative, academic, and operations and maintenance costs.". Grant funds.

(c) Such Act is further amended by adding at the end thereof the following new section:

"EFFECT ON OTHER LAWS

"SEC. 6. Except as specifically provided by law, eligibility for assistance under this Act shall not, by itself, preclude the eligibility of the Navajo Community College to receive Federal financial assistance under any program authorized under the Higher Education Act of 1965 or any other applicable program for the benefit of institutions of higher education, community colleges, or postsecondary educational institutions.". 25 USC 640c-2. 20 USC 1001 note.

Statements of the Pueblo De Acoma, New Mexico

My name is Raymond Concho, I am the Governor of the Pueblo of Acoma.

May I extend my profound thanks to the members of the Senate and to Senator McClure for the invitation which presented the opportunity to submit the Pueblo of Acoma's statements of position.

As you know, one of the most important Health Legislation signed by the President and passed by the House and the Senate is the Indian Health Improvement Act. P.L. 94-437. This law signed on September 30, 1976 was recognition by the President and the Federal Government of the Historical and unique legal relationship and resulting responsibility to the American Indians.

The Health Improvement Act provides a way for involvement and participation of the American Indian to express his priority in his health needs, as is allowed. It is the first time he is asked what his needs and priorities are and for the first time has been included in developing plans; Health Plans for himself and his people.

The major goal of the Health Improvement Act is to provide Quantity and Quality health services which will permit the health status to be raised to the highest national level and to encourage maximum participation of the American Indians in the planning and management of these services.

It is with this understanding that we are presenting to you for your consideration our priorities listed in the order and of the amount of money required to meet these needs.

Along with our position paper is enclosed the copy of our Tribal Specific Health Plans.

PRIORITY NO. 1: ENVIRONMENTAL HEALTH SERVICES -

As with many other tribes the Acoma people are concerned with Environmental Health services, this is our number one priority as it deals with our water supply and our sanitation systems.

Every summer the Acoma community must haul water in 55 gallon barrels for at least 3-4 days. In spite of this fact; Indian Health Service (IHS) continues to insist that there is adequate water, the need to upgrade systems for water lines at McCarty Village and the need to upgrade water meters at all villages is acute. There are no monies for operation and maintenance for Tribal systems under P.L. 86-121.

The lack of adequate water creates still another problem. In the establishing of a Fire Station, which is urgently needed. The present Emergency facility is 20 miles away and takes one (1) hour or more to answer emergency calls.

On December 11, 1978 the Pueblo of Acoma met with Indian Health Service Office of Environmental Health staff, at which time the cost of developing a water system was discussed and the project south of the Skyline Housing Sub-Division; it was hoped that this project would be completed before the end of 1980. For these projects the amount of $676,000 was requested.

PRIORITY NO. 2 - COMMUNITY/SCHOOL HEALTH EDUCATION:

The second prioritized goal of the Acoma Tribe is Community/School Health Education, this plan interfaces, correlates, directs and sometimes determines the other goals of the Community Health Representatives and other program specialists.

The objective of such a plan would help to raise the tribal health status through prevention education.

This effort would be accomplished through involvement of all agencies.

The development of school curriculum for health programs will be devoted to health careers.

The need to train and develop and sensitize our young people to the health fields will take time and funds. The request for $1,577,335 to assist us in this area. We hope it will be looked at favorably. For until such time that we are able to train our young people to the levels of need we will be dependent on outside professionals

PRIORITY NO. 3 - ACCIDENTS:

The safety of our people is yet another concern. It is one area that Indian Health services has no specific program funding for. In spite of the accient and injury rate which is four (4) times higher than the non-Indians. The Pueblo of Acoma in 1977 had a total of 236 injuries, and in 1978 it was 339 and 1979 it was 408.

The request for two (2) Safety Officers and an Administrator to develop a program in Prevention and Safety is needed.

Proper training of staff and EMT service are hampered because of lack of communication and transportation. The existing 1962 model ambulance is unreliable, not to be overlooked is the distance of travel and the language barrier and isolation these are all factors and relevant to the Indian needs, $902,500 would be a positive move in addressing these factors.

PRIORITY NO. 4 - ALCOHOLISM:

Alcoholism is another one of our concerns for it's abuse causes not only the tribe but the nation money, lost hours of work and productivity. The present facility at Acoma Pueblo does not allow for the expansion of services to the female problem drinker nor the youth. It is simply a "band aid" program which allows treatment of 46 males a year.

The current funding from outside sources amount to $25,000; we are requesting $144,000 to adequately meet the needs of the community in Education, Treatment and additional staff.

PRIORITY NO. 5 - NUTRITION:

In order to improve the health of the Acoma people, it is important to know about nutrition with good nutrition the health is improved overall. Education in nutrition using the foods most common to the Acoma people would be most beneficial to them. The development of such a nutrition program would cost $2,351,000.

PRIORITY NO. 6 - CONTRACT HEALTH SERVICES:

Presently Contract Health Services is grossly underfunded, with a total population of 3,547 Indian Health services has allocated for the people of Acoma a total of $2,000,000 for FY 1980. Because of insufficient funds IHS will be forced to cancel emergency surgical services before the end of the year as is always the case. Once again the Quantity and Quality care hoped for in the passage of the Indian Health Improvement Act P.L. 94-437 becomes a little dim. However we are hopeful in getting additional funds in the amount of $6,351,018 to provide the kind of Health Services comparable to the non-Indians.

In line with the above request; I would like to add to this the consideration for additional monies for the purchase of two (2) Hemodialysis units complete with staff to be located at the Acoma-Canoncito-Laguna (ACL) Hospital. Cost per unit is $75,000.

There are presently five (5) patients who must be transported to treatment facilities in Albuquerque twice (2) a week in order to sustain life, because of their medical conditions it is not feasible for them to transport themselves. The distance extends 130 miles round trip, with the added cost of fuel and time involved in transporting and waiting time for both patients and health staff. Monies saved from these trips could be used to provide services for these patients and others, at the Acoma, Canoncito, Laguna (ACL) facilities, we therefore encourage your full support of our request.

PRIORITY NO. 7 - ELDERS PROGRAM:

Presently is operating from funds received through Title VI of the Older American's Act. The program is able to feed 30 to 34 at most. Present facilities are not condusive to adding more.

With a total of 375 elders in Acoma not everyone is able to participate.

Presently known are 32 handicapped elders who received one (1) home delivered meal a week because of lack of adequately availability of funds, and transportation there are no other services provided.

The Elders of Acoma have stated their needs in the order below:

#1: The need for Home Health Care for those unable to or who do not have anyone to assist them.

#2: Long term care facilities need to be developed close to home, where language, family and customs remain the same.

The trauma of placing an Elder in a long term care center plays an important part in the recovery of the elder both in physical terms as well as mental terms.

The lists are long with the present available long term care centers. Most facilities have little or no activity of interest to the Indian Elders. These centers become a day to day existence and hope of recovery is most often lost. It is hoped by the Elders that their request for $6,578,515 will be looked on favorably, so that some additional services such as:

(a) - a Center for Social, leisure and nutritional activities,
(b) - Early Health Screening programs,
(c) - Expanded Eye and Dental Care,
(d) - Nutrition program
(e) - Time limits for Diabetes evaluation not to exceed four (4) hours, present waiting time too long.

Other areas of concern: 1 - Eye Care Services, 2 - Dental Care, 3 - Mental Health; present staff numbers one at ACL, with no community services; and 4 - Cultural Sensitivity training be encouraged by non-Indian IHS staff.

Finally the people of Acoma are hopeful that the priorities set by them will be viewed more closely and carefully.

The present status of Acoma ranks 25 out of 27 priorities as stated by the Albuquerque Area Health Services. The Tribal Specific Health Plans were developed by each individual Tribe on the basis of total unmet needs. The recommendations by the people of Acoma to re-categorize Acoma's second place category to category III is being requested in an effort to achieve the ultimate goal of Self-Determination and a higher standard of health.

In closing I would like to thank you for allowing me this time to present my testimony. I would also like to encourage you to view our requests in a positive manner and trust you will do all that is in your power to ensure that the trust responsibility to the American Indian is carried out. Thank you.

Please contact Mr. Stanley Paytiamo at area code (505) 552-6661 at the Pueblo of Acoma Health and Social Services Division Office, if you have any questions.

TRIBAL SPECIFIC HEALTH PLANS
SUMMARY OF WORK ELEMENTS AND COSTS AND WORK SCHEDULE

FIGURE IN THOUSANDTHS

WORK ITEMS & PRIORITIES		FY 1980	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985
		1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
1. ENVIRONMENTAL HEALTH SERVICES	$60,918,280						
2. COMMUNITY/SCHOOL HEALTH EDUCATION	$ 1,577,335						
3. ACCIDENTS	$ 902,500						
4. ALCOHOLISM	$ 1,986,338						
5. NUTRITION	$ 2,351,560						
6. CONTRACT AND HEALTH SERVICES	$ 6,351,018						
7. ELDERLY CARE PROGRAM	$ 6,578,515						
TOTAL	$80,665,546						
MONITORING			○ ○ ○ ◉	○ ○ ○ ◉	○ ○ ○ ◉	○ ○ ○ ◉	○ ○ ○ ◉

.....COMPLETED

——— PROPOSED

◉ REPORTS TO I.H.S. & CONGRESS

○ REPORTS TO COMMUNITY

PUEBLO of ACOMA

STATEMENT OF NELSON D. FRANK, PRESIDENT, SHEE ATIKA, INC.

Mr. Chairman, members of the Committee, my name is Nelson D. Frank, President of Shee Atika, Incorporated, a corporation formed under the Alaska Native Claims Settlement Act. I represent 1,878 shareholders and I am a graduate of Mt. Edgecumbe High School. I am an elected public official of the Sitka Borough Assembly. Sitka is the fifth largest community in Alaska, with a population of 8,000 people.

In testimony at last fall's field consultation meetings regarding the closure of Mt. Edgecumbe High School, Native leaders, parents and students, stated their strong desire to have the school remain open for the continued educational progress of Alaska Native youth.

In the fall of 1979, the Department of the Interior's Program Review Division of the Office of Budget conducted an off-reservation boarding school study. From this study came a recommendation to close Mt. Edgecumbe High School. At no time, prior or during this study were we consulted on the proposed closure.

Mt. Edgecumbe High School began operations in 1947. In the beginning, the school conducted a comprehensive secondary academic program plus a limited elementary program, and a vocational training school. Enrollment at that period was in the six hundreds.

The students came from all over the state, from rural Alaska where there were no schools.

At one time those students, who could not get into the Mt. Edgecumbe High School were sent outside the state to areas such as Chemawa, in Salem Oregon, Chiiloco in Oklahoma, and Intermountain Utah.

Local village secondary schools have been developing gradually. On September 3, 1976, the Governor of Alaska signed a Consent Decree as settlement of a civil class action brought against the state on behalf of Alaska Native children of secon-

dary school age. (Molly Hootch case) In this settlement, the state agreed that:

(1) Every child of school age has the right to a public education in the local community in which he resides; and

(2) Neither the department (of education) nor a district may require a child to live away from the local community in which he resides to obtain an education.

The most critical consideration resulting from the closure of Mt. Edgecumbe High School is the placement of those displaced students.

Many rural Native parents want their children to attend Mt. Edgecumbe. The students attend the school by choice. They testify that the school represents an important and valuable option to them and their children.

Mt. Edgecumbe Boarding High School operates under the New Bureau of Indian Affairs funding formula system. It generates 2.9 million dollars and enrolls between 400-425 students, for a pupil cost of $7,000 per student.

The school has been an accredited high school since 1949, with scholastic standards and graduation requirements that exceed State of Alaska requirements. Mt. Edgecumbe High School has graduated many of today's Alaska Native leaders. Currently, 22-25% of the school's graduates go on to college or university, and have the academic preparation to successfully complete that phase of higher education.

Last summer the Department of the Interior decided to make the school year 1980-81 Mt. Edgecumbe's last. The strong concern and protest by students, parents, and the Alaska Native community, as well as, many others concerned and involved with education, caused the Bureau to reverse the decision. The Department of the Interior determined at that time, that the State of Alaska was not ready to absorb the Mt. Edgecumbe students, should the school close.

The Natives of Alaska are facing the need for more technically trained and highly educated people, more now than at any time previously. The need is tremendous in business, resource development and management.

Alaska tribes and Native corporations need trained administrators, corporate executives, and highly skilled people to compete in today's society. Schools that provide a high quality education, leadership skills, broad social experiences, and promote the development of a healthy self-concept, and self-confidence is essential for the future leaders of Alaska. We must continue to have that resource available to our children.

Finally, the Department of the Interior's regulations state in their policies "The federal government has a direct interest, as trustees, in protecting Indian and Alaska Native children, including their education." And that the Assistant Secretary shall, "assure that no new policy shall be established, nor any existing policy be changed or modified, without consultation with the affected Tribes and Alaska Native government entities."

We need to have Mt. Edgecumbe remain open. The abrupt closure would have a severe and negative impact on the education of our youth, as well as, on the local economy.

We ask for continued appropriations for the school, for continued operation and strongly urge consultation and qualitative research be conducted well in advance of any further plans for closure of Mt. Edgecumbe High School.

Statement of the Boston Indian Council, Inc., Massachussets

The Boston Indian Council (BIC) recommends that $18.5 million be appropriated to fund Title V of the American Indian Health Care Improvement Act for FY 1982. It is important that funding levels be increased far more than they have in the past because: The power of the program dollar has eroded due to inflation; no new programs have been started; and, there has been very little expansion of services under current Title V contracts, so that most programs are behind schedule.

Through its Title V contract, the BIC in the past 2½ years has done a great deal to improve the health status of its Indian community of over 5,000. Cooperative agreements with six Boston health care institutions have been established to provide the community with essential primary medical and dental services. This year, the health program will be accountable for 1800 health visits, an increase of almost 40% over last

year. Outreach services, a vital component to the program, have been extended to 450 families (approximately 35% of the population). Since the BIC is a multi-service agency, many health outreach efforts have been responsible for directing clients toward other programs, such as housing, employment, and social services, which can directly and indirectly impact on the health and well-being of people.

During FY-81, the BIC has instituted two new programs. An arrangement with a local neighborhood health center has been made to administer the Women, Infants, and children (WIC) nutrition program at the BIC. Also, a health education project has commenced; although primarily a research project evaluating the quality of educational materials available to Indians, it is hoped that this undertaking will pave the way for direct health education services to be offered to the BIC community.

Staff development is an important concern of the BIC health program. Plans have been made to afford the health staff with the opportunity to increase their health, communication, and interpersonal skills, in order to grow professionally as the health program matures and assumes greater responsibility. Developing staff potential will help assure maximum participation of Indian people in the Boston health program.

When considering the funding level for Title V, it is important to understand the effect an urban health project can have on the community. In the Boston area, our studies have shown that over 60% of the population had no or inadequate health insurance. The service provided here is a <u>community</u> service-people depend on it. Nearly all Indians using health services in Boston go through the BIC. In the past, when Indians have used other area health agencies, these centers were largely unaware of this ethnic group. Of Boston health institutions, 91% do not classify Indians as a race catagory; the few that do were still unaware that their services were being used by Indians. This implicates the Native Americans in Boston as an invisible minority, probably mistaken for other ethnic types. Providers are unable for the most part to recognize that an understanding of Indian customs and thought is essential to any attempt to serve this group. Effective utilization of health services has been furthur impaired by education level, language, transportation, and economic barriers, and obstacles imposed by the health care environment in Boston itself: a complex and highly fragmented system that would confuse even the most erudite consumer.

While it has been shown that the BIC health program has had a significant and ameliorative effect on the community and can proudly look back on its accomplishments, the mission is not yet accomplished and view must be cast toward the future. There are still many health related problems and issues to be addressed. A large proportion of the population to date are not regular users of health services. Some of the barriers to care have been removed or attenuated by the program, yet others exist that will take more time and creative energy to overcome. Health education and preventive services are greatly needed to assist the urban Indian to understand the local health system, to learn when to use health services, to appreciate the effect personal behavior can have on health and illness, and in general to begin to take greater responsibility for his own health and safety. Also, In terms of services, Boston area Indians lack adequate access to obstetrical, prenatal, and mental health care.

The health program needs to go forward. The Boston program is presently in the second of four developmental phases which describe the progress of urban health programs. As the BIC health program has made a committment to its community to fully evolveand to continue to provide better services, so has Congress, it is felt, made a committment to its urban Indian constituency to fulfill the intent of Title V of the Indian Health Care Improvement Act. Failure to appropriate necessary funds to allow programs to not only to survive but to grow will ultimately result in the hopes and expectations of Indian people to once again be allowed to rise only to end in dissappointment and frustration.

The proof that urban projects are worthy of continued governmental support lies in the past experience of these programs. Phase III and IV programs have been found to deliver primary care in a way that is cost-effective and

well-utilized, and have become part of the overall health care delivery systems in their areas. The Boston program, judging from its success so far, along with the 21 other phase II programs, should have the chance complete their development.

A final note regarding funding is that Title V monies may be the only source of revenue available to urban programs. Other governmental subsidies for urban health projects appear to be rapidly diminishing, which makes cuts in Title V appropriations even more ominous than even before. If the Boston program and other urban groups are to fulfill one of the major goals of the Act as expressed by Congress-to ensure that the health status of Indian people is brought to parity with that of the general population-full support Congress is now warranted.

The Boston Indian Council, therefore, strongly urges the subcommittee to recommened an appropriation of $18.5 million for FY 1982.

Statement of the American Indian Health Service of Chicago, Inc., Illinois

Mr. Chairman, my name is Kenneth R. Scott, Executive Director of the American Indian Health Service of Chicago, Inc. I am interested in the health care of the American Indians, but more specifically, the urban Indian health. In the first three years of Title V of PL.94-437, the level of funding for all 41 urban projects did not excede $11,200,000. The projects survived but not as well as they could have, especially when you consider the rising cost of living and the rising cost of medical care.

In Chicago: the American Indian Health Service (AIHS) has utilized its base funding in an orchestrated effort to bring health care to the urban Indians. As a Phase II, IHS grantee, the AIHS has developed a wide network of referral resources that include; 28 health clinics; 17 hospitals and a wide variety of dental, mental health, drug & alcohol, and medical speciality providers. Additionally, the staff provide health education services at an Indian high-school and coordinate community seminars for the Indian community. One more point to be made about the American Indian Health Service of Chicago is we are presently renovating our space to offer a medical/dental clinic. One of our neighborhood hospitals have availed themselves to our efforts.

If AIHS can be used as a "measuring stick" of things that can be accomplished in the name of Indian health, then I will allow that more progress can be made if each project were brought up to their maximum funding level as spelled out in their individual Urban Specific Health Plan of 1979.

It is with this in mind that I am asking you to strongly support the American Indian Health Care Associations recommendation of funding for $18,750,000 under PL.94-437, Title V Urban Indian Health; additionally, I strongly recommend that you consider funding the rural Indian health who are not presently served by the existing 41 projects.

Thank you for you allowing me this time.

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STATEMENT OF THE NATIONAL FEDERATION OF FEDERAL EMPLOYEES

As the leading representative of BIA and IHS employees, NFFE will discuss three topics of great importance to our membership: the proposed closing of the Mt. Edgecumbe boarding school, the furloughing of BIA teachers, and the Indian school equalization formula.

The Furloughing of BIA Teachers

The BIA has for many years filled education positions that were either career-permanent or career-seasonal. The permanent employees worked 26 pay periods per year. Career-seasonal employees, on the other hand, are subject to being placed on unpaid furloughs during the summer. Since 1976, the BIA has had a policy that employees would not be converted from permanent, full-time to subject-to-furlough positions. However, in order for schools to meet budget constraints resulting from the new formula funding mechanism, the Bureau has allowed the agencies the opportunity to convert employees to furlough positions. Thousands of employees who were hired on a permanent, full-time basis suddenly find themselves subject to periods of lay off each year.

In contrast to most public school teachers who receive 12 months' salary for the 10 months of the school term, BIA educators receive no salary at all when they are furloughed. Other options available to most teachers, such as teaching summer school, are also not open to BIA personnel. The budget constraints now preclude active summer school programs.

These workers cannot ever receive unemployment compensation during their period of lay off. Employees of educational institutions are denied compensation for time between school years if they have a reasonable expectation of being hired back. BIA teachers in furlough positions deserve the benefits society provides to other seasonal employees, like construction workers, who face periods of time without work, hence without pay.

Morale among BIA educators is at an all-time low. Schools are closing and programs are being curtailed. We must seriously wonder how long high-quality educators will be willing to work for the BIA. The conversions to subject-to-furlough positions are harmful to the Bureau and to Indian education. As firm supporters of the BIA's mission of providing a first-rate education to Indian children, we must protest these conversions and the furloughs they generate.

In order to improve morale, and therefore Indian education overall, NFFE makes two recommendations. First, that Congress provide BIA sufficient funds to convert employees now on subject-to-furlough status to career-permanent. Second, that 6 U.S.C. 3304 be amended to permit BIA employees to receive unemployment compensation during the summer months.

The Proposed Closing of the Mt. Edgecumbe Boarding School

NFFE believes the recommendation to close Mt. Edgecumbe will have a serious detrimental impact on the education of Alaskan native children and strongly opposes the school's closing. The native population has few alternatives to Mt. Edgecumbe, and those that are available pale by comparison.

The Anchorage school system, the largest and most sophisticated in the state, has a dropout rate among native students of 60%. In comparison, the rate at Mt. Edgecumbe is only 24%. As sophisticated a system as that found in Anchorage cannot adequately satisfy the special needs of these children.

Alaska operates a correspondence high school program primarily for children living in small, isolated communities. Lessons are received by mail and returned to instructors in Juneau. While we have no data on the success rate of the program, we do not believe a program without personal teacher-pupil contact is an acceptable alternative to Mt. Edgecumbe.

While the Superintendent told the ORBS study investigators that many of Mt. Edgecumbe's current students are dropouts from Alaska's high school boarding program, they still recommended the boarding program be utilized to replace Mt. Edgecumbe. The State-Operated Boarding Home program is currently being phased out so this is no longer viable.

Mt. Edgecumbe, with approximately 400 students, has an extensive library and media center, its own radio station, a shop center and its own band. The one, two and three-teacher high schools located throughout Alaska cannot offer what can be obtained in Mt. Edgecumbe's diversified curricula.

Many of these schools by choice do not provide for all grades 9-12. Parents of these small communities have opted for shorter programs in order to get their children out of their isolated world. Do away with Mt. Edgecumbe and this vital opportunity to expand horizons will be cut off for many.

Sitka, Alaska receives a substantial portion of its income from the Mt. Edgecumbe school. The school's employees, a majority Alaska natives and long-time Sitka residents, do not have many other job opportunities. Loss of a Mt. Edgecumbe job could be devastating for the employee and his/her family.

NFFE believes none of the alternatives mentioned can provide the same quality education as Mt. Edgecumbe. We urge Congress, upon careful consideration of the available alternatives, to reverse the decision to phase-out the school.

The Indian School Equalization Formula

NFFE has many concerns with the new system for distributing BIA education program funds. National education and dormitory standards were directed to be established by last April. The delays have caused the system to work in reverse. Interior has been determining the cost to educate the basic grades 4-8, or 1 WSU, by dividing the total amount of money requested by the total number of WSUs projected. This method could result in a much lower appropriation than is actually needed to educate the students. Interior should be determining the cost of 1 WSU based on the national standards thereby accurately calculating the cost of a basic education as well as the extraordinary student needs. For example, Interior has set the WSU for intense residential guidance at 0.5 units. How could Interior determine this formula proportion without, for instance, an established standard for the counselor-student ratio? Obviously, the costs would not be the same with a 1:25 counselor-student ratio and a 1:100 ratio standard.

Interior now expects that standards will not even be completed for use in developing the FY 1983 budget. We recommend Congress investigate the reason for the delay in these long overdue standards and insist upon their immediate finalization.

Second, the WSU proportion allotted for each additional cost is static. NFFE believes these factors should be flexible to account for any future changes in student needs and in new teaching methods.

Finally, we are concerned about the funding distribution and its impact on staffing needs. Congress approved the closure of Ft. Sill and Stewart schools last year, claiming adequate space existed at other schools such as Riverside. We have recently heard from our employees at Riverside and, while enrollments have indeed increased, three teachers and other staff underwent a reduction-in-force (RIF) because of insufficient funds.

Under the new Indian school equalization formula, schools with more students should be receiving increased allotments, allowing more staff to accommodate the larger enrollments. We believe such situations require immediate Congressional investigation to insure that adequate funds are being distributed to educate students at each school.

Statement of the White Mountain Apache Tribe, Arizona

My name is Ronnie Lupe, Chairman of the White Mountain Apache Tribe, Fort Apache Indian Reservation, Whiteriver, Arizona. I regret I was unable personally to appear at the February 19 hearing before your Committee and wish to thank you for permitting the Tribe to file this written statement.

My Tribe greatly needs and requests your assistance and support in obtaining Congressional approval of the $1.5 million-dollar item set forth in the January budget for the Bureau of Indian Affairs. That money is an imperative necessity. It will be utilized to irrigate lands and for other purposes on our Reservation. With those funds we can greatly increase the productivity of our lands. My Tribe in the past has repeatedly demonstrated its capacity to press forward to greater economic stability and independence.

History of Western United States is directly linked to my people. The White Mountain Apache Tribe has proved against great odds its ability to survive upon our lands which have been occupied by us since time immemorial. Although the Salt River arises on our Reservation and is the lifeblood of our people, those lands are mountainous and arid. Agriculture cannot be practiced successfully

without irrigation. As a consequence, if we are to remain on our lands and have a viable community, we must have water for irrigation.

I take pride in the fact that the White Mountain Apache Tribe diverted and used the waters from the Salt River and its tributaries long prior to the advant of the white man. The military, when it occupied our Reservation, encouraged and assisted us in irrigating our lands. The earliest reports from the Indian Agents respecting irrigation date from 1874. Many small ditches diverted water to garden tracts which provided subsistence and food supplies for the Apache people. With the passage of time, it became evident that water could better be used and conserved by the construction of an irrigation system. In 1913 the Canyon Day or Bear Flats Irrigation Project, for which we are asking the $1.5 million, was designed and recommended for construction. Continuously since that time my Tribe has endeavored to have the Project completed. Obstacles have always been presented, primarily from the down-stream non-Indian communities that wish to monopolize and control all of the waters of the Salt River and its tributaries -- our sole source of water supply.

I personally know that down-stream land and water speculators in the vicinity of Phoenix, Arizona, have strongly resisted the development of our water resources. I also know that the proposal we are making for the Canyon Day Project is entirely reasonable and I see no reason why down-stream users should be damaged.

We have already commenced the construction of the Canyon Day Project (which is designed for the highest utilization and conservation of our water supply) using tribal funds and limited assistance from the Commissioner of Indian Affairs. The water is conducted to the land in a closed-pipe system and applied to the crops through sprinklers carefully calibrated to deliver to the plants the amount required for optimum growth. With this initial start, we now irrigate 360 acres which are very productive. In the ultimate, we hope to irrigate 6,000 acres. Our plans are to use the requested money to initiate the construction of a multipurpose dam, the ultimate cost of which will be $4.2 million. The dam can store approximately 12,000 acre-feet of water annually. That quantity of stored water will provide a firm supply of water during the late months of the irrigation season. The proposed dam will be constructed in a manner that will permit, at a later date, incorporation into the structure of a highly productive, medium-head hydroelectric generating plant. The exorbitant cost of electricity on our Reservation has stunted the growth of our economy and the prospect of generating our own electricity to the fullest extent possible points to even greater productivity if this project can be funded. The reservoir created by the dam will also provide much needed income from recreational uses.

We are primarily a livestock-raising Tribe. The need to produce hay and grain on the Reservation is clearly demonstrated by the fact that during the winter months hay is now being brought to the Reservation from distances as much as two hundred miles. The great waste of precious fuel to import the hay and the crushing cost of hay to our ranchers effectively strip away profits greatly needed by those on the lands who are in the livestock business.

We have the resources to make us self-sustaining. Our lands are good and, as emphasized above, the Salt River rises on our Reservation but is largely unused by us by reason of the political power of the down-stream non-Indian communities. All we need is to bring together our land and water resources and we will substantially increase our contribution to the nation's food supply while improving the well-being of the Tribe and its members.

The White Mountain Apache Tribe and I urge your funding support for the requested $1.5 million to initiate the construction of the storage dam.

I wish to thank you personally and on behalf of my Tribe for your consideration of this request.

STATEMENT OF JOHN R. AMARANT, ROTH, VAN AMBERG & GROSS, SANTA FE, N. MEX.

In early December our firm sent letters (on behalf of our clients, the Ramah Navajo School Board, Inc. and the Alamo Navajo School Board, Inc.) to Secretary Fredericks challenging his ranking of priorities for school construction funds for fiscal year 1982 (See, 45 Fed.Reg. 74997, Nov. 1980). Although we have received your letter of February 6th, we do not believe it is responsive to the

issues we wish to raise. Our challenge is based upon deficiencies in the procedures that have been established for deriving the rankings and upon the manner in which these procedures have been applied. At this time, we wish to provide a fuller explanation of the grounds for our objections and to ask that you reconsider the school construction rankings for fiscal year 1982.

1. Background

A. Ramah - Since 1952, this Navajo community sought through the Bureau of Indian Affairs to have a day school constructed so that Ramah children would no longer have to be separated from their families to receive an education. In 1970, the community successfully negotiated a contract with the Bureau of Indian Affairs to provide educational services to Ramah children. This event served as a model for President Nixon's speech introducing the federal policy of self-determination. The establishment of the school gave rise to a commitment by BIA in early 1971 to provide planning funds for construction of a community school. In October of 1971, the educational specifications for the new school were completed, and BIA School Facilities staff assured the community that design funds for fiscal year 1973 would be requested on Ramah's behalf. For reasons never explained, the Bureau failed to request fiscal year 1973 construction funds for Ramah. The Ramah School Board traveled to Washington, D.C. in an effort to clear up the confusion, and Commissioner Louis Bruce signed a letter stating the project had the Bureau's highest priority. Recognizing the community's plight, Congress supplemented the BIA's request for construction funds in order to provide Ramah with funds in fiscal year 1973. The Program of Requirements was completed and the initial cost estimate for construction was $15,000,000. In November of 1973, Marvin Franklin, Executive Assistant to the Commissioner, promised that the Bureau would extend its "best efforts" to secure funding for the school. Since that time Congress has funded phases I, II, and III of the school's construction program. In 1978, the program was interrupted by the Bureau's institution of a revised procedure for ranking the priorities for school construction funds, and when applied to Ramah, the community's needs were ranked so low as to deny any reasonable expectation of completing the campus. There are no classrooms for the middle school, the home economics room currently serves as the cafeteria, no dormitory, no business offices, no staff housing and incomplete facilities for supportive services.

B. Alamo - For fifteen years the Alamo Navajo children (between the ages of 7 and 18 years old) were shipped away to a BIA dormitory in order that they might receive an education. For many years, the Alamo people sought the Bureau's assistance to withdraw its elementary school aged children from this program and to establish a day school. In 1973, the community was told that education specifications for a new school, grades kindergarden through 6th, had been completed, that planning for the new school was proceeding, that design money was to be provided in fiscal year 1973, and that construction funds were expected to be appropriated the following year. These commitments were not kept, and in 1979 the Alamo people entered into a contract with BIA under the Indian Self-Determination Act to establish a day school. Prior to execution of the contract, IHS provided a water survey stating that the existing wells which provide the community's water generate sufficient water to meet the additional needs of the proposed campus. In December of 1979, the Alamo Navajo School Board submitted an application for school construction funds. All 319 of the students enrolled at the school attend classes in portable classrooms. Similarly, the cafeteria, administrative offices and library are in portable buildings. There are no supportive service buildings or a gymnasium. There is one house to serve as living quarters for staff, and a one-room school building. The lack of staff housing is making a severe housing shortage worse. The school's present ranking in priorities makes the prospect of receiving funds unlikely.

2. Ranking Procedures Conflict with Existing Policy

The "School Construction Application Procedure" (See 44 Fed. Reg. 29864, May 22, 1979) purports to establish a method of ranking school construction projects, but the procedures fail to acknowledge federal policies promoting the institution of locally controlled day schools and the discontinuation of the Bureau's boarding school program.

Since 1969, when the Senate Select Sub-Committee on Indian Education reported on the tragedy of Indian education and called for an end to the use of boarding schools, the Congress has consistently affirmed the need to encourage parental involvement and community control of the education and development of Indian education.[1] Similarly, the Bureau has promulgated a host of policy statements to facilitate Indian controll of locally based education programs.[2]

The failure of the School Construction Application Procedures to take into account the efforts of Indian communities to replace boarding schools with day schools has the effect of maintaining existing boarding schools and discouraging the creation of new day schools. The determination of ranking is dependent upon the presence of students in existing programs. As the number of students exceeds the capacity of existing facilities to house such students, the ranking of that facility improves. So long as communities currently serviced by boarding schools fail to withdraw their students from such programs, construction appropriations will continue to be provided to meet boarding school needs. Under these circumstances, communities seeking to establish a day school must first withdraw their children from the boarding school program and enroll these children in a fledgling locally based school that usually lacks permanent facilities. Once enrolled in the local school, the students are then considered for purposes of establishing the school's rank but no consideration is given in the ranking to the community's initiative. However, until permanent facilities are constructed, schools such as Ramah and Alamo must devote a portion of their operational funds to the payment of rent on temporary classrooms. To impose such a burden on parents seeking to establish a community day school, conflicts with Bureau policy to refrain from imposing sanctions on groups wishing to exercise local control.[3]

Another application of the procedures which conflicts with national policy is that individual boarding schools are uniformly evaluated as though the student population were derived from one community. Many boarding schools are part of a regional or area-wide network and draw their students from a variety of communities within that region. Thus, the presence of unhoused students at one facility may not be indicative of a regional need.[4]

The failure to incorporate such a fundamental policy into the School Construction Procedures represents a serious breach in the Bureau's role to implement policy. An administrative agency is required to effectuate, not ignore, Congressional intent, whether the agency agrees with Congress or not.[5] Moreover, the result of this omission is that the procedures affirmatively encourage a policy that is without authority, and otherwise contrary to established law. (5. U.S.C. 706(2)(A). This failure of the Bureau to conform its actions to its own policies is violative of the most fundamental principles of due process.

3. Standards for Ranking Priorities are Absent

The standards for determining priorities among applicants for school construction funds has not been published in its entirety as required by law. The Education Amendments of 1978 requires that the Secretary publish in the Federal Register the system used to establish priorities for school construction projects. (25 U.S.C. 2005(c). Although notice and a description of the School Construction Application Procedures has been published, this really only outlines the process to be followed in evaluating, verifying, and ranking of the applications. These procedural statements fail to state specifically under which conditions students will be found to be "housed" or "unhoused". The absence of such specificity

leaves applicants and persons evaluating applications for school constructions funds without any effective guidance.

Although the School Facilities staff may use such standards in their evaluation, the failure to publish such specific standards constitutes a failure to comply with the provisions of the Administrative Procedures Act requiring that an agency's statements of general policy must be published in the Federal Register for the guidance of the public. (5 U.S.C. 552(a)(1); See, Morton v. Ruiz, 415 U.S. 199, 1973). Moreover, these publication requirements apply to changes in standards or in how factors will be considered. This statute was specifically enacted so as to insure that substantive administrative policy be adopted in a stated manner so as to avoid the inherent arbitrary nature of unpublished ad hoc determinations. (5 U.S.C. 552 (a)(1)(D).

Although the publication of criteria may impose some additional administrative hardships on the Bureau, such difficulties cannot be used as an excuse for displacing the intent or meaning of Congress, which in this instance is clear. The publication of standards to guide applicants and evaluators is central to the scheme of restoring confidence in the system and eliminating the opportunity for abuse.

4. The Procedures Applied Arbitrarily

At the time that the current School Construction Application Procedures were instituted there were other schools whose campuses were in various phases of planning or construction, but the construction programs of these schools were not interrupted. The Bureau had committed itself to the completion of these campuses before initiating new construction. Bureau School Facilities staff explain that the distinction between the treatment awarded Ramah and other similarly situated schools is because Ramah was never ranked by the Bureau as priority.

This argument fails for two reasons. First, the school received letters in 1972 and 1973 from Bureau officials stating quite clearly that the school was a priority--a top priority. Second, the Bureau's procedures for ranking school construction priorities have been found to be ineffective and lacking credibility.[6] This fact is admitted by the Bureau in the publication in the Federal Register of the School Construction Application Procedures. Thus, the prior ranking or previous failure to rank a school is of no relevance. Ramah's need for facilities was so great in 1973, that the school refused to tolerate the inept antics and maneuverings of Bureau officials and sought to express its need directly to Congress. Since that time, the school has been penalized for its initiative. Surely, the Bureau should be prepared to make the same level of commitment to complete the Ramah campus as has been accorded other similarly situated schools. To fail to make such a commitment to Ramah is an arbitrary and capricious act which denies Ramah equal protection and due process under the law as provided under the Fifth Amendment to the U.S. Constitution.

5. Conclusion

In reconsidering the construction priority rankings for fiscal year 1982, we ask on behalf of our clients that the following courses of action be adopted:

- A commitment be made to complete the Ramah campus before any commitments for new construction are made;
- Reconsider the applications for fiscal year 1982 taking into consideration the efforts of communities to end or withdraw boarding schools and to establish community day schools; and,
- Publish in the Federal Register the standards to be used in making determination of rankings, as well as any changes in such standards or the procedures.

I hope that you have found our arguments persuasive and will give consideration to our recommendations. If we have not persuaded you, we would like a letter from you stating that the decision as to ranking is final for the agency.

FOOTNOTES

1. See, Indian Self-Determination and Education Assistance Act, 25 U.S.C. 450(a)(1), 450(b)(3) and 25 U.S.C. 450a(a); See also, Indian Child Welfare Act, 25 U.S.C. 1902; See also, Education Amendment of 1978, 25 U.S.C. 2010.

2. 25 C.F.R. §31a.4(i), 31a.4(1)(o), and 31a.4(p).

3. It should be noted that the third ranked school for fiscal year 1982 is a boarding school.

   25 C.F.R. 271.4(3)

4. A 1978 GAO report was most critical of the Bureau's inefficient use of existing boarding schools, particularly on the Navajo Reservation, and the presence of excessive vacancies. It should also be noted that the third ranked school for fiscal year 1972 is a Navajo boarding school.

5. Ross v. Community Services, 396 F.Supp. 278, Subsequent Opinion 405 F.Supp. 831, (D. Md., 1975), aff'd. 544 F.2d 514 (4th Cir. 1976) cert. granted sub. hom., Harris v. Ross, 431 U.S. 928, 97 S.Ct. 2630, 53 L.Ed.2d 243 (1977), Motion to Dismiss granted 99 S.Ct. 607 (1978). See also, Talley v. Matthews, 550 F.2d 911 (1970).

6. "A Report to the Committee on Appropriations U.S. House of Representatives on School Construction and Maintenance Programs of Bureau of Indian Affairs," by Surveys and Investigations Staff, p. 61, 1976.

STATEMENT OF THE MUCKLESHOOT TRIBAL COUNCIL, WASHINGTON

The Muckleshoot Indian Tribal Council has taken a strong opposition to the proposed rule making (42 CFR Part 36).

We ask you to reject this proposed rule for the following reasons:

1. Lack of funds.
2. Protection of exclusive Indian Health Resources.
3. Non-Indians already have medical resources through their states or counties. This would be another duplication of Non-Indian health services.
4. Disallowing non-Indians health coverage through Indian Health Services (male or female) would eliminate possibility of discriminatory suits.

We request that you seriously consider the above mentioned reasons to reject the proposed amendments.

Also attached please find resolution #81-93-5 of the Muckleshoot Indian Tribe, strongly opposing the proposed amendments.

RESOLUTION OF THE MUCKLESHOOT
INDIAN TRIBE
RESOLUTION NO. 81-93-5

WHEREAS, THE MUCKLESHOOT INDIAN TRIBAL COUNCIL IS THE DULY CONSTITUTED GOVERNING BODY OF THE MUCKLESHOOT INDIAN RESERVATION BY AUTHORITY OF ITS CONSTITUTION AND BY-LAWS, APPROVED MAY 13, 1936, BY THE SECRETARY OF THE INTERIOR, AND AS AMENDED EFFECTIVE JUNE 28, 1977; AND

WHEREAS, the federal government has a trust responsibility to American Indian Natives through treaties; and

WHEREAS, the Executive Branch of Indian Health Services is proposing to Congress an amendment to the federal rule # 42 CFR PART 36, that would allow Non-Indians to recieve health services through Indian Health Service; and

WHEREAS, the present rules and regulations of Indian Health Services is requiring Native American Indians to seek alternative resources,

NOW THEREFORE BE IT RESOLVED, the Muckleshoot Indian Tribal Council asks Congress to reject the proposed rule allowing Non-Indian spouses (male or female) to qualify for Health Services through Indian Health Services; and

NOW THEREFORE BE IT FURTHER RESOLVED, the Muckleshoot Indian Tribal Council asks Congress to consider amending the present federal rules and regulations to disallowing any Non-Indian for Indian Health Services and,

BE IT FURTHER RESOLVED, the Muckleshoot Indian Tribal Council urges Congress to amend the present federal rule and regulation of Indian Health Service to delete the requirement of Indians of seeking alternative resources and (Subpart C - 36 28 (F).

CERTIFICATION

As Secretary of the Muckleshoot Tribal Council, I hereby certify that the above resolution was duly adopted at a Regular/Special meeting of the Muckleshoot Indian Tribe on the 10th day of February, 1981, held on the Muckleshoot Indian Reservation, Auburn, Washington, at which a quorum was present by a vote of 6 for and 0 against 0 abstentions.

Shirley Sneatlum, Secretary

Gilbert KingGeorge, Chairman

STATEMENT OF THE NATIONAL CONGRESS OF AMERICAN INDIANS AND THE NATIONAL TRIBAL CHAIRMAN'S ASSOCIATION

The National Congress of American Indians, in conjunction with the National Tribal Chairmens' Association, respectfully submits the following testimony. Before going further, we believe that it is premature to recommend to Congress our budgetary request. Tribes and national Indian organizations have been placed in the unenviable position of creating their testimonies without the benefit of knowledge of President Reagan's budget plans. Proceeding in this fashion places the cart before the horse and, therefore, we are not prepared to address specific budget issues.

NCAI and NTCA are cognizant of the necessity to cut federal spending and are supportive of the Congressional efforts toward that end. Both organizations understand that Indian country will be impacted and must share the burden with the United States and its Territories. However, we are also painfully aware of the critical situation of Indian tribes and are in strong support of meeting their needs.

The goals of Congress and the tribes are the same. Both agree on the need for direct services, but Congress believes that they are spending too much, while tribes maintain that they are not getting enough. Like the United States, tribes are caught in the dichotomy between the necessity to deliver critical services

while attempting to curb rampant inflation, and like the United States, tribes are plagued with lack of capital and over-regulation, both of which fosters a dependency ecnomony and tends to inhibit self-sufficiency.

Congress necessarily attempts to balance the federal budget while upholding its fiduciary obligations towards the tribes. This Committee has devoted a day and a half thus far, repeatedly hearing the need for more federal dollars for services.

We believe it is possible to uphold the United States' economic viability and the Congress' trust responsibilities towards the tribes. We call your attention to an excerpt from Secretary Watt's Questions Submitted to Record (exhibit A) wherein he commits himself to supporting Indian governments "through the fulfillment of treaty obligations and financial assistance, and not supplant Indian government by federal government bureaucrats." We also present, as exhibit B, Reagan's Indian Policy (question #17) wherein the President expresses a goal of "financial, technological and management assistance" to enable tribes to achieve economic self-sufficiency.

We urge the Congress to take seriously the Administration's intent towards tribes, specifically, that of supporting the President's plans to assist tribes in reducing income dependency and increasing productive employment, and Secretary Watt's interest in slashing the bureaucratic encumbrances while emphasizing direct services.

When you review President Reagan's budget, we urge that you closely examine the federal administrative expense and direct tribal service dollars. Public Law 93-638 mandates that tribes design and control the administration of federal programs that directly impact their Nations. We believe that your investigation will find that both the Bureau of Indian Affairs and the Indian Health Service are in conflict with the mandate in that they reserve a major portion of the Indian budgets for themselves to administer the services. We request that this committee mandate the Bureau of Indian Affairs and the Indian Health Service to make their cuts at the administrative level rather than cutting critically needed direct services.

The key to self-sufficiency is tribal consultation. We urge this committee to request the Bureau of Indian Affairs and the Indian Health Service as well as any other Department or agency involving themselves with delivery of Indian services to submit to this committee, not later than ninety days from this date, a plan for consultation by tribes for categorical issues and definable programs. We request that you ask them to articulate the extent to which this consultation will occur and the methods by which they will consult. Finally, we believe that it is critical to identify the timelines for the consultation.

In closing, we urge the committee to critically evaluate the administrative costs of the BIA and IHS and ascertain that the bulk of funds allocated for the benefit of Indians and Alaska Natives be used to alleviate the appalling problems that our reservations are facing today in the areas of health, education, social services and economic development.

We thank you for allowing us to present this statement.

Exhibit A

Excerpt from: QUESTIONS SUBMITTED TO THE RECORD
Responses of Interior Secretary James Watt to
Questions Submitted at his Confirmation Hearings.

Q.2. What is the Reagan position on "government-to-government" relations between the Federal government and Indian tribal governments--in other words, treating tribal governments on an equal basis with state and local governments?

A.2. The traditional relationship between the United States and Indian governments is a "government-to-government relationship." History tells us that the only effective way for Indian reservations, and Indian communities, to develop is with local Indian leadership. Bearing in mind the legal and historical background, tribal governments must play the primary role in Indian affairs. State and non-Indian local governments can at best play only a secondary role.

Q.3. Will the Reagan Administration establish a White House coordinator on Indian tribal affairs to prevent the current situation of uncoordinated programs which overlap in numerous federal agencies?

A.3. As Secretary, I cannot promise that an office of Special Coordinator on Indian Tribal Affairs will be established in the Reagan White House, although the matter will be looked into. However, I can assure the Indian tribes that their leadership will have strong advocacy and an open channel of communication in the White House. The failure or refusal of the various Federal agencies to cooperate with each other and to coordinate their efforts on behalf of the Indian tribes results in gross inefficiency, loss of costly time, and greatly reduced cost-benefit to the Indian people. This will not be tolerated in the Reagan Administration.

Reagan's Indian Policy (Continued)

REAGAN: I have been informed that Indian tribal leaders and education professionals have opposed the transfer of Indian education from the BIA to the new Department of Education, for fear that the resulting reduction of the BIA budget would diminish that agency's trust protection as well; and that the tribes feared absorption of loss of Indian education programs in the burgeoning bureaucracy of the new Department of Education.

I have strongly opposed the Department of Education, and if elected I will propose its abolition. If that measure is adopted, the Indian education program would presumably be transferred back to BIA, or reorganized in such a way as to increase tribal responsibilities for the education of Indian children.

15.

Will federal agencies be directed to deal with tribes directly rather than through states or counties on welfare, nutrition programs, law enforcement assistance, etc.?

REAGAN: My Administration will honor the government-to-government relationship that exists according to law. Certainly, we'll be open to discussion on the best possible delivery systems for Federal services to Indian people. However, we are aware of the complexity of the problem of changing legislation that diverts federal funding through state channels, and can make no promises until any Administration has had the opportunity to thoroughly review the situation.

16.

Since tribal governments own a large share of natural resources (including energy), what is the policy on permitting tribes autonomy in decisions on development, lease management, etc?

REAGAN: Tribal governments should have the right to determine the extent and the methods of developing the tribe's natural resources. Although the federal government has a trust responsibility for Indian natural resources, that responsibility should be directed to the protection of the resources from alienation and exploitation from the outside. It should not be used to hinder tribes from taking advantage of economic development opportunities.

Tribes are making great strides in planning and controlling development—particularly those members of the Council of Energy Resource Tribes. The American private sector possesses unlimited technology and management expertise which the tribes can call upon. My Administration would encourage fair and just partnership among the tribal governments, the private sector, and the federal government in meeting the tribes' identified development needs.

17.

What is the plan to assist tribes in developing their own economic self-sufficiency?

REAGAN: Economic self-sufficiency will be the goal of my Administration, both in Indian affairs and in the nation at large. It would work to make available financial, technological and management assistance which will enable tribal enterprises to develop their own project for self-sufficiency. This will result in the reduction of income dependency and an increase in productive employment — which are the desires of Indian people.

18.

What is the plan to encourage economic development of individual Indian small business enterprise?

REAGAN: Although the systematic development of tribal enterprise is extremely important, the development of individual or small business enterprise is crucial to sound economic development on the reservation.

Ample opportunities now exist in the areas of agriculture, services, and light industry development throughout the rural Indian communities. As is the case throughout America, however, many Indian businesses fail for lack of adequate management and financing capital availability.

My administration will work to assist all small businesses in obtaining capital, managerial assistance, government procurement contracts and export opportunities.

19.

In selecting a Secretary of the Interior, will you consider an individual who is knowledgeable in the area of Indian Affairs, since the BIA is under the Department of Interior and the department could be most effective with his knowledge in handling Indian issues?

REAGAN: Until I am actually considering individuals to nominate for the position of Secretary of Interior it is difficult to make yes or no response.

Indian Affairs is an extremely important part of the Interior Department, but the Department has a broad range of important responsibilities. I would definitely consider an Indian for Secretary to the Interior, but it would have to be a person who has demonstrated knowledge and competence commensurate with the full range of departmental responsibilities.

20.

Will your Administration consult with tribes on issues and appointments to positions affecting Indians and tribal governments?

REAGAN: Yes. I have indicated that the traditional "government-to-government" relationship between the federal government and Indian governments should be continued. In my view that would include consulting with tribes and their leaders on the development of federal Indian and tribal governments. I believe that the people whose lives are most affected should play a larger role in influencing federal policy and personnel, so that the federal government can become more sensitive and responsible.

—Reagan Campaign Committee and
—The Manitoba Messenger

Stevens County Vote Tally

Stevens County, which includes the Spokane Reservation, joined the rest of the nation in casting an overwhelming majority of votes for Republican candidates in the November General Election. President-elect Ronald Reagan drew nearly twice the votes of incumbent Democrat President Jimmy Carter.

The official vote tally was:

PRESIDENT

Ronald Reagan (R)	4,096
Jimmy Carter (D)	3,689
John B. Anderson (I)	588

U.S. SENATE

Slade Gorton (R)	4,326
Warren G. Magnuson (D)	3,337

U.S. HOUSE (5th Dist.)

John Sonnstead (R)	5,330
Tom S. Foley (D)	4,301

GOVERNOR

John Spellman (R)	6,374
Jon McDermott (D)	2,609

LIEUTENANT GOVERNOR

William M. Treadwell (R)	4,946
John A. Cherberg (D)	4,470

SECRETARY OF STATE

Ralph Munro (R)	5,220
Ron Dotzauer (D)	3,680

STATE TREASURER

Marilyn R. Ward (R)	4,980
Robert S. O'Brien (D)	4,092

STATE AUDITOR

Robert H. Koons, Jr. (R)	4,878
Robert V. (Bob) Greimes (D)	4,484

ATTORNEY GENERAL

Kenneth O. Eikenberry (R)	5,102
John Rosellini (D)	1,980
John Miller (I)	2,431

COMMISSIONER OF PUBLIC LANDS

Brian J. Boyle (R)	5,142
Burt Cole (D)	4,316

INSURANCE COMMISSIONER

Richard G. 'Dick' Marquardt (R)	5,047
Jon Davis (D)	3,480

SUPT. OF PUBLIC INSTRUCTION

Frank (Buster) Brouillet	6,417

STATE SUPREME COURT

Position 1

Robert F. Utter	4,980

Position 2

James M. Dolliver	4,462

Position 3

Fred H. Dore	4,564

STATE SENATE (Dist. 7)

Position No. 1

Helen Fancher (R)	6,302
Vincent E. Sorey (D)	2,980

Position No. 2

Basil Barr (R)	6,454
John D. Lauber (D)	2,568

COUNTY COMMISSIONER

District 1

Clive W. Price (R)	5,488
Lee Schneider (D)	2,880

District 3

Jack E. Cogswell (R)	4,887
Grant A. Dutis Sr. (D)	4,447

Jury Decides In Missing Funds Trial

After four hours of deliberation a jury found Barbara Flett, Wellpinit, guilty of falsification of accounts, and not guilty of theft in the first degree Nov. 21 in Stevens County Superior Court.

The charges are the result of a state audit of the Wellpinit School District. The August 1979 audit revealed that over $3,000 was missing from the district's general fund account during the period between September 1978 to August 1979, at which time Flett was employed as the district bookkeeper. The state audit also determined that general fund monies were being transferred and deposited into the Associated Student Body (ASB) account. Flett admitted transferring the district general revenues to the ASB fund to make up the loss which was coming out of the ASB fund.

Flett commented on the charge saying, "The only thing I did was put the district money into the ASB fund. I didn't realize it was wrong at the time I did it. I figured that the money which was lost would have been taken care of by the end of the school year."

She continued, "Through this whole investigation in the last 15 months I feel that I've been treated unfairly. We requested that the matter be taken care in the fall of 1979 but it took them this long to deal with it."

Regarding her job as a bookkeeper for the district Flett stated, "If anything was to have been done, it should have been done in the beginning. But nobody said anything about my position to me. If anybody thought I was guilty it seems like they would have layed me off until the matter was cleared up."

Wellpinit School District superintendent Ben Cruzen, was asked if Flett would continue to be employed by the district, "That decision is strictly up the school board," he said.

According to County Prosecutor John Wolfe, restitution is required and the maximum penalty for the falsification of accounts charge is ten years imprisonment and up to $10,000 in fines.

It is undecided whether or not Flett and her attorney, Dennis Dellwo, will seek an appeal.

The date of sentencing for Flett is scheduled for Dec. 5 in Stevens County Superior Court in Colville, Wash.

Carole's thanks

I would like to take this time to thank each and every one of you who helped me out so much by buying raffle tickets, supporting and encouraging me in the Miss NCAI pageant at the Sheraton last month.

I really enjoyed representing the Spokane Tribe of Indians. Thank you.

Colin Stearns

Statement of the Pleasant Point Reservation, Maine

My name is J. Hartley Nicholas, Governor of the Passamaquoddy Tribe at Pleasant Point Reservation, Perry, Maine. I represent both my reservation and our sister reservation Indian Township. Indian Township consists of 17,000 acres and is located 60 miles north of us. Under the Indian Self-Determination Act we of this tribe have set our priorities for expenditures according to need. We request that the Budget for the Department of Interior be approved Nation Wide to address the needs of all Indian Nations, whose needs are similar to those of our own Nation. We do not endorse, submit, or recommend that other Indian Nation's budgets be cut to accommodate ours. Basic needs of all Indian Nation's should be met without reservation. If instances of doubt exist either substantiate that doubt and be responsible for the resultant decision, don't take the easy way out and cut or eliminate on an indiscriminate basis. We of the Passamaquoddy Tribe have experienced this type of action in a very real way. As you know our land claims has been settled a little over two months. During these past two months the State of Maine has cut out all assistance to all the Maine tribes. We are without funds to meet basic needs of water, waste disposal and treatment, snow removal, street lights, educational funding, housing authority operations: all of which are essential to our basic everyday needs.

During May - July 1979 a special Indian task force was sent to Maine for the express purpose of identifying and meeting the needs of the Maine Tribes. This Federal team from the Bureau of Indian Affairs, Washington, D.C., submitted to the Department of the Interior their recommendations to meet our unmet needs of the past 200 plus years, our current needs and future needs. This was documented in a study titled "Impact on Penobscot and Passamaquoddy tribes if State of Maine refuses to fund Indian Programs dated July 1979. (see attached report)

Attached is a proposed update on these needs for the Passamaquoddy Tribe.

	Current Funding			Requested* for 1982
	Indian Township	Pleasant Point	Total	
1. Indian Services				
B. Social Services	148,100.00	160,000.00	308,100.00	518,320.00
C. Housing	27,500.00	44,900.00	72,400.00	91.880.00
D. Self-Determination Grants	15,000.00	15,000.00	30,000.00	36,000.00
2. Economic Development & Employment Development				
A. Employment Assistance	62,600.00	102,500.00	165,100.00	198,120.00
B. Road Maintenance				100,000.00
3. Natural Resources Development				
A. Forestry & Agriculture	50,000.00	82,000.00	132,000.00	*332,000.00
B. Wildlife & Parks	24,000.00	39,200.00	63,200.00	75,840.00
4. Trust Responsibility				
A. Indian Rights Protection				50,000.00
B. Real Estate	15,000.00		15,500.00	118,600.00
C. Financial Trust Services				40,000.00
5. Road Construction				
A. Road & Designs				100,000.00
B. Road Construction				500,000.00
6. Law Enforcement				
A. Police	123,600.00	150,900.00	274,500.00	329,400.00
B. Tribal Court Operations				159,000.00
7. Sewer & Water Operations				200,000.00
	466,300.00	594.500.00	1,060,800.00	2,849,160.00

* Including additional money to replace lost state funds.
Add 20% inflation adjustment.

* Additional funds necessitated by fact Tribe's acquisition of 150,000 acres as result of Maine Indian Land Case.

Statement of the United South and Eastern Tribes

We are an intertribal council of the federally recognized tribes in the Eastern United States. We commend you for upholding and strengthening Indian education, but we urge you to safeguard the remarkable improvements that have resulted from your efforts. Fifteen years ago the Bureau of Indian Affairs schools were among the worst in the country. By five years ago, though, there had been many advances: beautiful new buildings, small pupil-teacher ratios, programs which encouraged students to be proud of their languages and customs, rising achievement test scores, and growing parental involvement. How proud many of us were that, in contrast to the shameful destruction of ancient traditions which had taken place in Tibet and across the Soviet Union, our leaders were protecting and appreciating the diverse cultures on which this country was founded. The Indian schools which resulted from the growing tribal self-determination strengthened us, made us more interesting, more humane.

However, all that has changed. The last two years have brought such hardships to the schools because of the inadequate budget requests by the Bureau that the very future of Indian education is at stake. And the effects of these financial difficulties have been cumulative: the system could endure one bad year, even two, but three or four may be too many. Legitimate fears abound that even the new buildings will be closed, and, because Indian reservations are often in remote areas, that there will be no alternative sources of education for many of the children.

Averting this calamity cannot be done with the 6% increase in the School Operations budget which the Bureau has requested. The consumer price index is rising at 12.8% a year; enrollment each year in the Indian schools is increasing by 2%; federal teacher salaries rose over 9% last year and are certain to continue going up; transportation costs (which are considerable because of the rural areas served) went up 30% and are expected to escalate even more as a result of the removal of gasoline price controls. Therefore, with present administrative procedures, just to maintain the status quo will require a budgetary increase of 15%. If though, the cost-cutting measures we recommended to Secretary Watt are put into place, this amount could allow the schools to progress. We are, then, asking that the School Operations budget be increased 15% over the FY 1981 budget to $713,013,000.00.

To determine this amount, and in an attempt to be fair yet frugal, we made a nationwide telephone survey of eight randomly selected school districts, each of which had fewer than 100,000 students. Though these districts showed an average enrollment drop of 4% (compared to the Bureau schools' 2% increase), their budgets had gone up by 7.8%. Even so, their financial conditions had deteriorated from the year before.

One system which was not included in the above statistics, but which is currently in the news, Boston City Schools, lost 2% in enrollment (which is now 64,000, compared to the Bureau's 44,000) but needs an 18% increase in the 1979/80 school operating budget just to continue functioning. Boston's per-pupil expenditures of nearly $4,000.00 are considerably higher than the Bureau's, yet its teacher pay rates, transportation expenses, and school lunch costs are lower. Without additional funds the Boston schools will shut down in March. If the same thing happens to the Indian schools, as is possible, the federal trust responsibilities would be violated to such an extent that worldwide repercussions could result.

Increased funding is needed soon, especially for the Eastern Area, which has historically fared even worse than the rest of the country. For instance, according to the Basic Funding Unit (BFU) Cost Determinations for area education offices recently distributed by Mr. Barlow's office, in FY 1981, the Eastern Area was due $268,294.00 but was allotted only $164,199.00 (or 61%). The other eleven areas, however, received much higher percentages of their projected needs:

AREA	FY 81 FUNDING LEVEL (as % of BFU Cost Determination)
Navajo	409%
Phoenix	113%
Portland	100%
Aberdeen	100%
Muskogee	100%
Albuquerque	100%
Billings	100%
Juneau	100%
Anadarko	92%
Minneapolis	88%
Sacramento	72%
Eastern	61%

Additionally, the persistent underfunding of school operations in the Eastern Area during the implementation of PL 95-561 has meant that over 90% of school operating budgets have been taken up by teacher salaries. During school year 79/80, 95% of the budget at Chitimacha and 99% at Choctaw were earmarked for this item. The Miccosukee, who have a contract school, tried lowering salaries but lost 57% of their teachers in the process. And our other reservations with BIA schools faced similar difficulties: if they offered decent pay to attract teachers to isolated areas, there was no money

left for student supplies. We request, therefore, that you specify a 100% funding rate for our area.

The Johnson O'Malley funds have traditionally been the backbone of the off-reservation public school programs for the children from our tribes. With much deliberation, councils, parent committees, and chairmen have developed plans to help their children adjust to schools where tribal languages and customs are not the norm. The rural areas have needed the JOM funds to help them compensate for accepting Indian students for whom there are no local or state tax revenues. However, the number of individuals served by JOM has increased every year while budgetary allocations have remained the same. Inflation has meant that severe cut-backs in services have resulted. If Impact Aid is also reduced, will the rural schools (many of which already have insufficient funds) continue to provide services for Indians? We think not and recommend a minimum of a 10% increase in the FY 1981 appropriation or $3,342,000.00 for the Johnson O'Malley programs. Above all, JOM must remain intact in the Bureau.

The Department of Education's Office of Indian Education should channel more of its resources through the federally recognized tribes. As the situation is now, fewer than 10% of the tribes participate in any one section of the Indian Education Act programs. Even entitlement funds are being lost by some of them. Tribal administration of the funds would support the American Indian Policy and Review Commissions's recommendation of increased self-determination. However, allowing state governments to hold the purse strings to Indian programs would be totally unacceptable for many reasons: another "middleman" would only mean less money for the intended recepients; state employees are not accountable to reservation Indians; there is a built-in incentive for states to ignore or short-change Indians; and, it has not worked before (for instance, with Adult Education, Vocational Education, and Vocational Rehabilitation).

Part B of the Indian Education Act, which is made up of around eighty grants for enrichment programs for Indian children, is an expensively administered program which touches few tribal members. To have a fair chance to compete for the money, tribes must be wealthy enough to hire a college-trained education proposal writer (who is seldom a tribal member and has little opportunity to talk with teachers, school boards, or councils to discover local school needs). This individual must be able to second-guess the decisions of OIE and NACIE proposal readers. Even so, once all the other federally recognized tribes, all the non-profit organizations, and all the schools which have anything to do with Indians apply, the chances of receiving money might be better with the Reader's Digest Sweepstakes. Moreover, the time and money spent on administering the Part B programs could be better used by individual schools. Paying for the multi-million dollar regional evaluation centers, at a time when schools are facing such financial hardships, does not seem reasonable. Besides, under the present system, good program evaluation is almost impossible no matter how many regional centers there are. The system is bound to fail unless proposals can be written and read by individuals who know the local school needs; unless there is a free choice situation for potential participants in a funded project; and, unless there are built-in incentives for admitting problems. Since such is not the case, the evaluation centers can "work until doomsday" counseling proposal writers and helping them write "behavioral" objectives but meaningful evaluations will not result. And even if a project is highly successful, it will disappear after a year or two due to termination of funds. Our recommendation: discontinue the evaluation centers and distribute the Part B money among the federally-recognized tribes so they can develop model cultural heritage programs for state departments of education, local school systems, and non-profit organizations.

Part C is very important to Indian adults, many of whom have been denied educations in the past and do not now have the personal resources needed to return to the classrooms. Many have not mastered the English language and are unable to participate in the labor market or reduce their dependence on government institutions. Moreover, only a little over 30% have high school diplomas. They are perhaps the most disadvantaged subpopulation in society; however, many more than can be served desire training. Since it is more cost effective and humane to educate a person than to support him through welfare, this committee should make every effort to see that adequate services are provided to meet the demand. We recommend entitlement rather than discretionary grants because many tribes who need the money the most are least able to afford proposal writers.

In summary, we ask you to reaffirm our country's trust responsibility to the federally recognized tribes, which is nowhere more evident than in education, by returning a share of the tax revenues to the reservations. We are cognizant to the needs of the non-federally recognized tribes, though, and in no way are trying to deny them due rights; we support the BIA's Federal Acknowledgment Project for those who wish to obtain recognition. Because federal funds are usually the sole support of school services for tribal members, Indian education is a direct reflection of your recommendations and appropriations. All the above programs are crucially important and must be built upon if we are to improve our schools. We wish to assist you, though, in your efforts

to cut federal spending and have requested the least money with which tribes can continue to offer acceptable programs.

BIA	
School Operations	
15% over FY 81	213,013,000.00
Johnson O'Malley	
10% increase over FY 81	3,342,000.00
Continuing Education	
BIA FY 82 request	5,448,000.00
	$221,803,000.00
OIE	
Part A	74,000,000.00
Part B	19,000,000.00
Part C	5,900,000.00
	$98,900,000.00

Statement of the Makah Tribal Council, Washington

This appropriations request is to the Bureau of Indian Affairs and involves a total overall increase of $274,517 in the tribal law enforcement budget. The Makah Indian Reservation covers approximately 44 square miles on the extreme northwest corner of the Olympic Peninsula in the State of Washington. The reservation is bounded by the Pacific Ocean to the West and the Strait of Juan de Fuca to the north. The reservation terrain is isolated, rugged and mountainous and is endowed with miles of expansive beaches and spectacular scenery which annually attract more than 200,000 outsiders especially in the summer months.

The Makah Indian Tribe has a tribal government organized pursuant to the Indian Reorganization Act of 1934, 25 U.S.C. §476. Shortly after federal organization in 1937 the Makah Tribe adopted a Law and Order Code and established a tribal court. The Makah Tribe has consistently endeavored to develop and maintain an effective law enforcement program. Pursuant to this objective, the Makah Tribe has successfully contracted with the Bureau of Indian Affairs for the past several years under section 102 of Public Law 93-638, 25 C.F.R. §271.18, the Indian Self-Determination and Education Assistance Act, to administer both law enforcement and correctional center manpower programs designed to improve the quality of reservation law enforcement.

The present nine-man Makah Tribal Police Department provides around the clock law enforcement service throughout the Reservation but a substantial increase in funding is needed for F.Y. 1982 if such service is to continue, especially during the months when the Reservation population is almost quadrupled by outsiders. Actual reservation population growth from 1968 to 1977, for example, has averaged about 4.4% per year. During the tourist season which lasts from April to September, the tribe estimates an influx of nearly 104,000 people who visit the reservation for purposes of sports fishing, camping and hiking. In addition, nearly 40,000 commercial fishermen frequent the reservation during these months. The Tribe also estimates that approximately 60,000 non-residents visit the Ozette tribal village and laboratory each year.

The crux of the matter, therefore, is that the Makah Tribal Police Department actually services a drastically larger population during six months of the year which greatly increases both the need for and cost of tribal law enforcement services. For example, the tribal police have been forced to allocate a tremendous amount of their resources to prevent the vandalism of tourist vehicles which are left overnight on isolated reservation trails and beaches. The tribal police are frequent participants in search and rescue missions to assist inexperienced tourists when they are injured or lost in some of the more remote reservation areas. The tribal police have been compelled to purchase a four-wheel drive vehicle, stretchers and other rescue equipment to handle such emergencies.

Compounding these tourists related law enforcement problems is a sudden increase in crime with respect to traffic in narcotics on the reservation. During September of 1980 the tribal police assisted in breaking up a highly sophisticated marijuana operation which had attempted to run contraband through the reservation. The tribal police seized 290 bales of marijuana valued at nearly $50 million. The problem of smuggling of narcotics on the reservation continues and the tribal police have been compelled to increase their drug surveillance efforts. In addition, the tribal police have had to contend with

inflation and rising costs particularly in connection with law enforcement equipment, insurance and salaries.

Pursuant to a recent Bureau of Indian Affairs recommendation, for example, the tribal police must now establish separately, the functions of jailer and police dispatcher. Before this time, both functions were performed by a single staff person. Now, however, the functions must be separated and new staff hired.

Notwithstanding these pressures, the Makah Tribal Police Department has provided outstanding law enforcement services to the reservation community for several years and was ranked, by an inspection team from the Bureau of Indian Affairs recently, as the most efficient and well-organized police department in the BIA Olympic Agency.

However, the continued effectiveness of law enforcement activities on the Makah Reservation in the face of these pressures is dependent upon the budget increases identified in the attachments which have been officially filed by the Tribe with the Bureau of Indian Affairs. A deterioration in this program will jeopardize the lives and property of both the Makah Indian people and of the thousands of others who visit the Reservation each year. We respectfully request that the House and Senate Appropriation Committees direct that these urgent needs be met by specifying that the Bureau of Indian Affairs shall increase the funding level for the contracted law enforcement program on the Makah Reservation to a minimum level of $394,516, an increase of $274,517 from the the present level of Bureau funding.

Statement of the American Indian Higher Education Consortium, Colorado

INTRODUCTION

Mr. Chairman, I would like to thank you for this opportunity to again appear before your committee to present testimony on behalf of the American Indian Higher Education Consortium (AIHEC) for 1981-1982 appropriations for the implementation of P.L. 95-471, the "Tribally Controlled Community College Assistance Act of 1978."

PROGRESS STATEMENT

What are the origin of tribally controlled community colleges? The emergence of these institutions is derived from the history of a merging of a truely American form of education and the strength and ideals of the original inhabitants of this nation.

The community college movement materialized in the United States in 1919, increasing the momentum throughout the next five decades. A community college offers to the members of its service area educational opportunities and skill development based upon their specific needs.

From a forced migration west along many routes, only one of which was "The Trail of Tears", modern Indian people have established communities. The Indian lands, reservations, are communities in a strong and encompassing way that is frequently not comprehended by other Americans. Identity is based on participation and life of the community as embodied by the tribe. The tribe is perceived as a natural and sacred group of individuals with commonalities in language, kinship, spirit, social organization, and the governing principles. The tribe is further related to the land in a holistic bond. The territory known to each as its reservation is what is left of this sacred bond. As this community suffers or decays, so does the individual. As this community grows and prospers, so do each of us.

The Indian communities have passed through generations of external forces. However, the Navjo Nation established the first tribally controlled institution of higher education in the United States in 1968. Under the Nixon Administration the Indian Self-Determination Act of 1975 (Public Law 93-638) ushered in the guiding policy of administering Indian affairs by internal control. From this Act and Indian people's desire to see their communities prosper, other Indian leaders grasped the community college philosophy and formed postsecondary education systems.

In 1972, six of these tribally controlled community colleges formed the American Indian Higher Education Consortium to assist themselves and other tribes in developing institutions to meet the specific needs of Indian communities.

The Tribally Controlled Community College Assistance Act of 1978 (Public Law 95-471) was passed unanimously by the Senate and the House. This legislation authorizes the Secretary of the Interior to make grants to tribally controlled community colleges to aid in the postsecondary education of Indian students and for technical assistance to the colleges to assist in their overall institutional development.

Upon these foundations of American educational philosophy, the United States government policy of Indian self-determination, and the belief of a people in their communities are built the tribally controlled community colleges.

Today there are fourteen tribally controlled community colleges deemed feasible and, therefore eligible for assistance under the Tribally Controlled Community College Assistance Act. Twelve of these colleges and an additional five are members of the American Indian Higher Education Consortium and are located in North and South Dakota, Montana, Arizona, New Mexico, California, and Washington States. We are also aware of at least two other tribally controlled colleges serving Indian people.

These are full service community colleges. Curriculum and services vary, but each is offering courses of study to meet the needs of the communities; as community colleges, degrees are attained that transfer to four year institutions for baccalaureate programs, certification and terminal associate degrees are earned, and community service, non-academic credit courses are provided.

These, on the whole, are not institutions of granite or marble. Most institutions use leased facilities, modular units, and former elementary and secondary school buildings. Some colleges have or are developing towards new facilities, but will continue to maintain the philosophy of community education that adheres to utilizing, rather than duplicating, community resources.

These are not colleges that provide frivolous superfluities; they are in the serious business of education. Witness the educational programs offered to tribal employees in Accounting at Standing Rock Community College, Forest Technology at Salish-Kootenai Community College, and Secretarial Science at Turtle Mountain Community College. Sinte Gleska and Little Hoop Community College provide training to police and public safety personnel; both services only having been contracted from the Bureau of Indian Affairs by the tribes since P.L. 93-638 also. Medical Technology, Nursing, and Occupational Therapy are offered at many colleges with Turtle Mountain, Oglala Sioux, and Dull Knife Memorial Colleges as examples.

These are indeed colleges based upon community needs. Evidence of this are the forest and natural resouces curriculum offered at the tribally controlled community colleges in Montana and the agricultural degrees in North and South Dakota Indian colleges. As all of the colleges are tribally controlled and chartered, each has a liaison with the tribal government and programs and mission statements that embody meeting tribal needs. Processes for identifying these needs and developing course content are evidenced at all of the institutions. Lummi Indian School of Aquaculture and Fisheries is eminent in offering a terminal and transferable degree program solely in that field filling a void in educational services to Indian people.

All of the colleges provide a two year General Studies degree and demand a core of general studies courses including english, math, history, and science of all students.

Using the State of South Dakota as an example, I would like to illustrate the impact of tribally controlled community colleges. On February 2, 1981, the Chronical of Higher Education published 1978 student data compiled by the Office of Civil Rights of the Department of Education from fifteen public and private institutions of higher education in South Dakota that indicated a total student population of 22,565. Of this number approximately 363 Indian students were enrolled, 1.6% of the total. During this same period, four tribally controlled community colleges (Oglala Sioux, Sinte Gleska, Cheyenne River, Sisseton-Wahpeton) enrolled 780 Indian students.

For the 1981-1982 academic year, the tribally controlled community colleges who are members of the American Indian Higher Education Consortium, predict a full time enrollment (FTE) figure of 2,010. This FTE figure (as calculated by an equation of adding full time hours to the number of part time credit hours divided by 12) is an increase of 461 over the preceeding years. Continuing the example of South Dakota, the 1981-82 projected FTE figure is fast approaching the mere head count of 1978. Of importance, other Indian community colleges graduates are transfering to the four year state institutions.

Eleven of the Consortium member colleges are candidates for or fully accredited with their respective regional accrediting associations; three more are anticipating review visits from accreditation teams this year. This accreditation illustrates the recognition of standards compliance of tribally controlled community colleges of higher education evaluation teams.

BUDGET REQUEST

The Consortium respectfully requests the appropriation of $17,180,000.00 for 1981-82. The following table delineates the entitlement per institution based on an amount of $4,000.00 per student based on the FTE equation.

The record of tribally controlled community colleges speaks for itself on how they have struggled against great social and economic barriers. The tremendous and welcomed support of P.L. 95-471 has provided a stable economic base to flourish. Even though first year funding was greatly delayed, the colleges have used the operational and technical assistance money wisely with futuristic planning.

To continue strengthening and developing curriculum in all areas of natural resouce management, the Indian colleges of these eight states require these appropriations. To continue meeting the educational needs of more Indian students than other public and private institutions, the tribally controlled community colleges depend upon these appropriations. To maintain the philosophy of American education that provides services to make communities strong and prosperous, the tribally controlled community colleges request the appropriations of operational and technical assistance money.

We ask that you consider the needs of these communities, the successful implementation to date, and the potential of the future in your deliberations and respond favorably to this appropriations request.. Further, while the American Indian Higher Education Consortium supports the Bureau of Indian Affairs FY 1982 budget request under P.L. 95-471, it is important to recognize the fact that there is additional need of $6,901,000.00 over the BIA FY '82 budget request.

Budget Information for FY 1982 Pertaining to P.L. 95-471
The Tribally Controlled Community College Assistance Act of 1978

AIHEC MEMBER INSTITUTIONS (TITLE I)	Projected FTE 1981 – 1982	Grant Entitlement Based on $4,000 Per FTE
Blackfeet Community College	200	$800,000.00
Cheyenne River Community College	100	$400,000.00
Dull Knife Memorial College	125	$500,000.00
Fort Berthold Community College	61	$244,000.00
Hehaka Sapa College at D-Q University	150	$600,000.00
Little Big Horn College	50	$200,000.00
Little Hoop Community College	107	$428,000.00
Lummi Indian School of Acquaculture	85	$340,000.00
Nebraska Indian Community College	129	$516,000.00
Oglala Sioux Community College	257	$1,028,000.00
Salish-Kootenai Community College	155	$620,000.00
Sinte Gleska College	200	$800,000.00
Sisseton Wahpeton Community College	50	$200,000.00
Standing Rock Community College	170	$680,000.00
Turtle Mountain Community College	171	$684,000.00
Sub-Totals (Grant Entitlements to AIHEC Colleges Under Title I of P.L. 95-471)		$8,040,000.00
Institutions (Non-AIHEC) Title I		
College of Ganado	110	$440,000.00
Fort Peck Community College	100	$400,000.00
Sub-Totals (Grant Entitlements to Non-AIHEC Colleges Under Title I of P.L. 95-471)		$840,000.00
Institutions (Title II)		
Navajo Community College	975	$7,300,000.00
Sub-Totals (Grant Entitlement to Navajo Community College Under Title II of P.L. 95-471)		$7,300,000.00
Total Grant Entitlements Under P.L. 95-471 Including T & TA Grants and Feasibility Studies (Title I)		$9,880,000.00
Total Grant Entitlements (Title I and Title II)		$17,180,000.00
Less Bureau of Indian Affairs Budget Request for FY '1982 Under P.L. 95-471		$10,279,000.00
FY 1982 "Add-On" Request Under P.L. 95-471		$6,901,000.00
Sub-Total (Technical Assistance Grants and Feasibility Studies)		$1,000,000.00

NP 81-202

RESOLUTION

WHEREAS, the Nez Perce Tribal Executive Committee has been empowered to act for and in behalf of the Nez Perce Tribe, pursuant to the Revised Constitution and By-Laws, adopted by the General Council of the Nez Perce Tribe, on May 6, 1961 and approved by the Acting Commissioner of Indian Affairs on June 27, 1961; and

WHEREAS, THE FEDERAL GOVERNMENT VIA THE BUREAU OF COMMUNITY HEALTH SERVICES HAS MADE A COMMITMENT TO IMPROVING INDIAN CHILD HEALTH BY ESTABLISHING IMPROVED CHILD HEALTH PROJECTS IN HIGH INFANT MORTALITY AREAS; AND

WHEREAS, THE NEZ PERCE TRIBE OF IDAHO HAS JOINED IN THIS EFFORT OF IMPROVING CHILD HEALTH THROUGH THE NORTHERN IDAHO INDIAN HEALTH BOARD IMPROVED CHILD HEALTH PROJECT; AND

WHEREAS, THE IMPROVED CHILD HEALTH PROJECT HAS BROUGHT AMBULATORY HEALTH SERVICES, FAMILY PLANNING, INFANT HEALTH SURVEILLANCE PRENATAL, POST-PARTUM, AND HOME HEALTH AID TO MANY FAMILIES OF THIS TRIBE; AND

WHEREAS, THE BUREAU OF COMMUNITY HEALTH SERVICES DOES NOT PLAN TO CONTINUE THE ICHP COMMITMENT BEYOND THE END OF FISCAL YEAR 1982; AND

WHEREAS, ELIMINATING THESE NEEDED AND ACCEPTED SERVICES WILL CREATE A NEGATIVE VOID IN HEALTH RESOURCES AND MINIMIZE OR REDUCE THE OUTCOMES OF THE ICHP PROJECTS; AND

WHEREAS, THE INDIAN HEALTH SERVICE HAS A TRUST RESPONSIBILITY TO PROVIDE A HEALTH PROGRAM FOR INDIANS THROUGH-OUT THE UNITED STATES; AND

WHEREAS, THE NATIONAL INDIAN HEALTH BOARD PROVIDES INPUT TO THE INDIAN HEALTH SERVICE.

NOW, THEREFORE BE IT RESOLVED, THE NEZ PERCE TRIBAL EXECUTIVE COMMITTEE REQUESTS THE NATIONAL INDIAN HEALTH BOARD TO SUPPORT BY RESOLUTION, THAT THE INDIAN HEALTH SERVICE AND BUREAU OF COMMUNITY HEALTH SERVICES DEVELOPE A PLAN FOR CONTINUED SUPPORT FOR THE INDIAN IMPROVEMENT CHILD HELATH PROJECT BEFORE FISCAL 1982.

BE IT FURTHER RESOLVED, THAT THE NATIONAL INDIAN HEALTH BOARD FORWARD A COPY OF THIS RESOLUTION TO HEADQUARTERS (MARYLAND) C/O DR. EMERY JOHNSON ALSO TO THE PORTLAND AREA OFFICE, C/O DR. S. STITT FOR SUPPORT.

CERTIFICATION

THE FOREGOING RESOLUTION WAS DULY ADOPTED BY THE NEZ PERCE TRIBAL EXECUTIVE COMMITTEE MEETING IN REGULAR SESSION, FEBRUARY 10, 1981, IN THE TRIBAL CONFERENCE ROOM, LAPWAI, IDAHO, A QUORUM OF ITS MEMBERS BEING PRESENT AND VOTING.

BY: Brad L. Picard
BRAD L. PICARD, SECRETARY

ATTEST:

Wilfred A. Scott
WILFRED A. SCOTT, CHAIRMAN

STATEMENT OF THE NEZ PERCE TRIBE OF IDAHO

My name is Walter L. Moffett, a member of the Executive Committee, currently holding the office of Assistant Secretary-Treasurer, and am also a member and officer of the North Idaho Indian Health Board. The Nez Perce Tribal Executive Committee welcome this opportunity to present our comments and recommendations to your budget hearing on the Indian Health Service. We do have some very important matters concerning the unmet health needs of the Nez Perce Reservation in North Central Idaho. Specifically, we are requesting the Appropriations Committee to make a line item for the planning and construction of a new service unit ambulatory clinic, the added positions of an orthodontist and a nutritionist. The total construction estimated cost is $4.6 million, or 24,400 square feet at $189 per square foot.

The Nez Perce Reservation is located in North Central Idaho, which also is the site of the service unit clinic of the North Idaho Indian Health Service. The service unit is a multi-jurisdictional agency providing both direct and contract services to the Nez Perce, Coeur D'Alene and Kootenai Tribes.

The Nez Perce Tribe, along with many other tribes and organizations, is deeply concerned about the impact of the $2.2 million reduction in tribal management support funding in the fiscal year 1981 budget of the House of Representatives Appropriations Committee.

We feel that this action will force further cutbacks in our FY 1981 and 1982 Tribal Health Program Service Contracts with the tribes and possibly require termination of support for one or more of the nineteen organizations currently funded from tribal health program support appropriations.

Our valuable Community Health Representative (CHR) Program will be severely affected by the proposed reduction. The annual increase for CHR contract renewal has been at a rate of 6% each year. This level of increase has not kept up with cost increases incurred by the tribes, nor has the amount kept pace with the rise of inflation. We urge that you insure that the proposed reduction is not made.

We are aware and cognizant that resources are shrinking in value and volume even as the constituencies of the American Indians, such as the urban Indians and those who seek federal recognition, are growing. We are also aware that President Reagan, his administration, has already requested fiscal restraints upon many federal on-going programs, including the Indian Health Service.

We are attaching a recent report, the "History of 1982 Request, Indian Health Services Appropriation," which reveals the fact that the IHS budget will receive $114,691,000 cut. The $115 million cut in IHS budget will severely affect medical and dental services to the Indian people. The per centage of estimated dental and medical care needs will be reduced, the need for increased levels of detection, treatment and surgical operations, will not be met. New facility construction will not be provided.

Additionally, the Indian Health Service promulgated proposed rulemaking expanding eligibility to non-Indians for IHS services. Should the non-Indian become eligible for health services, under the current proposed rulemaking, the already shrinking funds will become monumental. We urge your support to defeat the proposed amendment to the current regulations 42 CFR 36.12, which would allow non-Indians to receive IHS benefits. We also recommend that tribes be authorized to determine and define "who is an Indian."

Another concern we have is contracting under 93-638, the Indian Self-Determination Act. Tribal sovereignty is the watchword of the tribes and red flag to those non-Indians opposed to Indian interests. There is no question that the tribes, legally, retain many powers of sovereignty in their exercise of self-determination and self-government and we hope that Congress will support the tribe's efforts in protecting those rights. But tribal sovereignty can have little meaning when the tribes must come, hat in hand, to the federal government to pay for the exercise of those powers.

We recommend that serious consideration be given in the near future to the consolidation of contracting procedures between the tribes and the Bureau of Indian Affairs and the Indian Health Service. Currently, the tribes have two different contracting procedures with each of the two agencies. Utilizing one contracting procedure would expedite the process and provide timely entrance into those important programs.

Last year, one of our councilmembers appeared before the Committee requesting an IHS line item for facilities construction and increased staff for the Northern Idaho Service Unit Clinic. I am requesting your support in this effort again this year. The following facts are presented: 1. The IHS reported to our Tribal General Council that according to IHS-RAC (Resource Allocation Criteria) the service unit clinic is staffed at 46% of needed manpower for medical, dental and field health services. 2. Last year, the IHS purchased new, technologically advanced machinery for x-ray and laboratory procedures. These were returned for lack of space in the clinic building. 3. Also, in 1979, the IHS purchased new medical records filing cabinets for the near 7,000 patient charts in the clinic. These cabinets had to be returned for lack of space. 4. The square footage currently utilized for direct medical care if 1,266 square feet. This compares to a U.S. Public Health Service planning formula of 8,810 square feet recommended for a similarly utilized medical clinic (Section 330 PHS ACT). 5. The current IHS clinic was constructed in 1969 by the BIA, but was not built to clinic specifications nor anticipated growth. Administrative, health prevention and environmental staff have been moved to rooms or areas previously used for storage space in the basement which is developing hazardous emergency evacuation problems. 6. Direct services are suffering. Any measure to improve services runs into the same immovable obstacle -- an obsolete and over-crowded facility. 7. Our Tribal Health Specific Plan projections which are based on the modest RAC formula foresee 12,813 annual clinical visits in 1984, at a projected cost of $179,935 or $18.19 per visit. This compares with the 1981 projected contract visit at $85.00 per visit. 8. The Portland area Indian population has the highest mortality rate than any other IHS area, and North Idaho Indians are among the 10 highest in infant mortality rate.

The three tribes of Northern Idaho have experienced a devastating infant mortality problem. A cumulative review of Indian infant deaths and live births over the past twenty-four (24) years, from 1955 to 1979 show five year infant death rates ranging from 22.2/100 to 90.9/100 live births. This startling phenomenon was recognized as a national service priority in 1978 by the Bureau of Community Health Services' Improved Child Health Project. BCHS made a four-year investment of health personnel, facilities, equipment, and operational support which brought preventive and primary health services to unserved rural Indian areas. Two communities not receiving direct care on a regular basis from IHS now utilize nurse practitioner clinics with visits at a patient encounter rate above that standard set by NHSC. Indian families have utilized the preventive and primary services at these two small clinics. Health behavior has begun to change from sick care to health maintenance. Next year (1982) the BCHS Improved Child Health Project Commitment will end.

The governing bodies of each tribe requests the wisdom of Congress to maximize this initial investment of BCHS and transfer federal responsibility to maintain these two clinics to the Indian Health Service, Northern Idaho Service Unit. Nez Perce Tribal Resolution 81-202, Coeur D'Alene Tribal Resolution 82-116 and Kootenai Tribal Resolution of 2/9/81 each call for these demonstrated, utilized and desperately needed clinics to be line-itemed in the Northern Idaho IHS Service Unit Budget. We urge your support to reduce the infant mortality in Northern Idaho.

Reliance on contract health care for services which could be provided on a regular basis is causing hardship on individual families. Our families must drive 350 miles to Seattle, Washington, for orthodontic services. With the additional building requested providing such dental services, the Northern Idaho Service Clinic could offer that needed dental service in our own clinic.

Mr. Chairman, we stand on the principle that every man, woman and child in this great nation, which includes the American Indian, has the God-given right to enjoy sound physical and mental health. To have that, one must have reasonable access to quality health care. For many citizens this right has become a commonplace reality. But for too many Indian people this right is only a glimmer on the distant horizon, evidenced by their poor health status. Without a proper health status, the Indian people will be unable to realize the many economic, educational and social programs already available to them or which this Congress will provide.

The members of your Committee can help Indian people to achieve the right to enjoy good health. In fact we believe that Congress, the federal government, owes the American Indian that right due to the Indians' unique historic and legal relationship with the federal government which has its basis in the Constitution inself. But to do so we urge Congress to be prepared to provide the Indians with appropriate tools, financial resources, facilities, manpower training and flexible authorities, to develop a health delivery system capable of achieving this highly desirable objective.

Thank you very much for your consideration and support. I wish to further thank the Committee for conducting this hearing to receive testimony on the Indian Health Service Budget. I sincerely hope that the Committee will continue such an important role in the years to come.

In closing, I hope that I have given the Committee some insight into our concerns of our health needs and some of the problems we are currently experiencing.

Again, I thank you for this opportunity.

Statement of the Passamaquoddy Reservation at Pleasant Point

Prior to 1969 the school buildings that were used were in such poor condition that they should have been condemned much earlier.

In 1969 a new four-room wood building was constructed of the most inexpensive materials according to an inadequate design. It lacked such things as a dish-washer, food storage, janitorial supply storage, office spaces, teacher work space, gym equipment storage and special education facilities to name a few.

In 1974 three more classrooms were added and in 1980 the siding on the original part of the building had to be replaced.

The student population has increased since 1973 by approximately 30 students moving back to the Reservation into some new homes.

The school curriculum suffers from space problems, one reason being that five classroom spaces currently rented are not suited to school purposes. We have 54 children who are unhoused, that is, not occupying our own building, and 47 secondary students are tuitioned to off-reservation schools. Our special education resource room is a makeshift room, though inadequate, is mandated by law.

Since 1967 we applied for school construction to our State Legislature, but their prevailing attitude was to do nothing pending the Land Claim Settlement. Nothing in the settlement deals with educational facilities.

PRESENT NEED:

We need 12,350 square feet of additional space that includes four classrooms and assorted other small rooms and office space. We need it designed properly and to be constructed of more permanent material for Maine's weather conditions.

Remember that the student population has grown 23% since 1973.

Overview:

Prior to 1969 the school building was deplorable for many years. In 1969 a three room building was constructed; then three years later three more classrooms were added. The building has a small gym-cafeteria room that has no storage space for equipment. In general the building lacks storage, small offices, a special education classroom, a library, and a teacher workroom, to mention just a few basic spaces. The Indian schools are certainly not comparable to most Non-Indian schools in other surrounding communities.

Although the educational facilities do not totally affect the educational achievement levels of Indian children, it is one of the contributing factors to one-third of the Indian students being two levels below the grade level where they should be.

Here the school committee has to rent two classrooms and small office space that will not be available to them after this June. There is no other space to be rented and no money to construct temporary space.

The drop-out rate has always been very high for Indian students, and it has only been in the recent few years that we have been encouraged by graduating a few students from secondary schools. One of the contributing factors for this has been the bias faced at the off-reservation secondary schools. There are many of us who would like to see secondary facilities also on our Reservations.

Since 1972 we have seen improvements and great potential through having our own popularly-elected Indian School Committees on each Reservation.

Prior to this year, the three schools operated with complete budgets appropriated by the State Legislature. This year the State did not fund the Indian Schools, so the Bureau of Indian Affairs funded us, on a contract basis, for On-Reservation education only, leaving us with the problem of funding our tuitioned students. Fortunately the Settlement was signed on December 12th, and the State agreed to fund enough money for the Indian students' tuition to Off-Reservation secondary schools.

MAINE INDIAN EDUCATION

STUDENT ENROLLMENTS

	Year Ending	73-74	74-75	75-76	76-77	77-78	78-79	79-80	80-81
INDIAN ISLAND	Elementary	50	51	58	60	84	88	76	97
Tuitioned	Elementary	23	24	19	12	14	16	24	32
	Secondary	18	17	15	20	13	20	29	26
INDIAN TOWNSHIP	Elementary	70	67	77	104	105	109	93	93
Tuitioned	Elementary	23	23	29	19	10	4	3	3
	Secondary	11	18	21	27	33	22	39	34
PLEASANT POINT	Elementary	124	136	151	155	157	147	150	153
Tuitioned	Elementary	0	0	0	0	0	0	0	0
	Secondary	43	43	39	46	52	44	42	47

In July of 1966 the jurisdiction over Indian Education was transferred from the State Department of Health and Welfare to the State Department of Education.

In July of 1973 the Indian People were given the legal status to control their own schools and to have their own school committees.

Between the years of 1966 and 1973, the school records would be found in Augusta; but the school enrollment for the year 1966 were slightly lower than in 1973.

In 1975 the Penobscot and the Passamaquoddy Indian Nations gained federal recognition.

On October 10, 1980 the Maine Indian Land Case Bill was signed.

On December 12, 1980 the Appropriations Bill was signed by President Carter.

BUILDING DATA

Student Count Including Early Childhood		Indian Island K - 6	Indian Township K - 8	Pleasant Point K - 8
	1974	50	70	124
	1981	97	101	153
Increase	7	47	31	29
Capacity of Own Schools		56	84	102
Grades Tuitioned Off Reservations		7 - 12	9 - 12	9 - 12
Student Count		57	34	47
Rooms Rented		3	3	5
Unhoused Students				
(Early Childhood and Kindergarten)		27	(Gr. 4 & 5) 24	(Gr. 6, 7, 8) 44
	(Gr. 7, 8)	30	(Sp.) 22	(Sp.) 10

The Data reveals:

1. The student population has been steadily increasing.
2. Early Childhood classes are included in the count.
3. The schools were not built for the present number of pupils.
4. Classroom space is temporarily rented at each Reservation.
5. By necessity, not by choice, are some of the students tuitioned to off-Reservation schools.
6. The Indian Island School is no longer servicable, thus all these students can be classified as Unhoused.

7. The temporarily rented classroom spaces are not satisfactory at the three Reservations and the Indian Township's rented space will not be available for the 1981-1982 school year; and the Pleasant Point's rented space will not be available for the 1982-1983 school year.

The Data does not reveal:

1. That the present buildings are not energy-efficient.
2. They do not have suitable play areas surrounding them, except for the Indian Township School.
3. Their construction and design were based on extreme minimal cost.
4. Outside surfaces of the buildings have had to be covered or replaced.
5. Several rooms have had to be divided to accomodate the teaching process.
6. The class sizes must be kept small to allow proper attention for the children.
7. Storage space is non-existent.
8. Only one school has a dishwasher, although all schools serve breakfasts and lunches.
9. The buildings are wood frame construction.
10. The Pleasant Point School has insufficient numbers of toilet facilities.
11. Since Special Education was mandated, no extra funds or space was provided.

Statement of the Organization of the Forgotten American, Klamath Fall, Oreg.

The Organization of the Forgotten American (OFA) is responding to the request for written testimony, to become part of the record of your mid-February Appropriations Committee hearing on U.S. Department of Interior supplemental appropriations for the Indian Health Service.

We request that funding in the amount of $238,957.92 be included in FY 1981 supplemental appropriations to carry out the intent of Title V of the Indian Health Care Amendments of 1980 (Public Law 96-537), and be specifically designated to enable the Oregon Rural Indian Health Board, which is described in the enclosed Phase I Project Proposal.

This is the start of long-overdue efforts to develop essential health services for the largest minority group in Eastern Oregon, the non-reservation rural Indian population. Public Law 96-537 explicitly calls for the establishment of community-based programs, which then could influence the current inadequacy and inaccessibility of existing health services for rural Indians.

This project will initially seek to measurably identify, characterize, and relate the Native American population of Eastern Oregon to the existing health care environment in terms of unmet needs and available resources. These assessment actions will provide a firm basis for the development of direct health care services appropriate to our rural Indian communities.

We recognize that stringent budget limitations will preclude many worthwhile programs to deliver health services critically needed by the non-reservation Indian population. In view of this situation, we are willing to be flexible in funding and programming for initiating direct services to our target population.

But we would be remiss by not pursuing this initiative to address the serious deterioration in the health status of rural Eastern Oregon Indians. As a provider of primary dental care and hypertension diagnostic services, OFA has a proven capability of delivering comprehensive direct services at the earliest practicable time.

Please do not hesitate to contact us if any additional information is required for your deliberations.

Statement of Byron I. Mallott, Chairman, Sealaska Corp.

Sealaska Corporation is a regional Native corporation based in Juneau which represents approximately 16,500 Southeast Alaska Natives. Sealaska corporation strongly requests a re-consideration of the proposed closure of Mt. Edgecumbe Boarding School based upon the following information.

Continued funding for the Mt. Edgecumbe Boarding School is necessary for Congress to meet its historical obligations to aid the education of Alaska Native children. The trust responsibility of the federal government to American Indians, including Alaska Natives, has always encompassed educational responsibilities. Congress affirmed these obligations with adoption of the Indian Self-

Determination Act of 1975, 25 U.S.C. §§450 et. seq. and the Education Assistance Act Amendments of 1978, 25 U.S.C. §§2001 et seq. These laws not only recognized a continued federal responsibility to provide educational opportunities for Indian and Native children, Congress further committed the federal government to continue to meet these responsibilities as a fiduciary.

Recent efforts to circumvent this trust obligation by discontinuing educational aid to Alaska Native students is simply illegal. In the face of a clear, Congressional mandate to provide education services to Alaskan Natives, recent agency recommendations for closure fly in the face of federal policy. Moreover, this policy applies to only Alaska students and thus unfairly excludes them from aid that is theirs by right.

Mt. Edgecumbe plays a special role in the educational lives of Alaska Native children that cannot be otherwise met. The school serves as home for more than 400 students each school year. Many of these students are social referrals, who require the special assistance such as counselling, that is offered. While the buildings date from World War II, the facilities are regrettably often superior to the children's own living conditions back in the villages. Even though the State of Alaska receives millions of dollars in oil revenues daily, the fundamental fact remains that many Natives stsill live in abject poverty.

The majority of the State's Native leaders and regional corporations' directors and officers attended Mt. Edgecumbe and their ability to communicate and work together to help their people is directly attributable to the fact that they attended Mt. Edgecumbe where they grew to trust and respect each other.

Even more importantly, Mt. Edgecumbe offers a typical high school curriculum that prepares students for college. The State's construction program to build new schools in the villages that elect to have a school, over the last five years, has materially increased the number of schools. However, the small enrollments of each school mean that the students do not take college preparatory courses, but instead, are lucky to be taught the essential subjects for a high school degree. In addition, the State cannot provide adequate incentives to induce well-qualified teachers to seek employment or continue to stay in the remote bush village areas and as a result, the village schools provide a deficient educational system. Supplemental coursework is only available through correpondence courses. No one could suggest that curriculum by correspondence even begins to compare with classroom instruction.

In addition to meeting social and psychological problems of the individual students, Mt. Edgecumbe also gives its students the opportunity to meet and work with students from all over Alaska. They can participate in team sports and other typically high school extra-curricular activities that are not available at the village level.

The survey of the ORBS system recommended that the school be closed, because it was too expensive to operate and renovate, plus it "supplanted the State Home Boarding Program". Comparison of the report's conclusions with the facts reveal several material errors and a misunderstanding of the applicable law.

The May 1980 ORBS study pegged the annual per student cost at $18,855 for Mt. Edgecumbe whereas the average ORBS per student cost was $11,595 a year. Note that with formula funding, the per student cost has been reduced to $15,405.60. The Mt. Edgecumbe costs are higher for a number of salient reasons that were overlooked in the rush to close the school. First, it includes the 25% cost of living allowance for Alaska. Secondly, the operating and maintenance costs constitute 95% of the total education costs. Heating bills alone are one million dollars a year due to the absence of insulation and the size of the buildings themselves. The direct instruction costs compare very favorably with the other ORBS operations, except for food. Again, this is reasonable in light of the school's location and the additional transportation expenses. The total

figure failed to account for the reimbursement received from the Forest Service, the Coast Guard and Indian Health Services, who also lease space.

Moreover, closing Mt. Edgecumbe will not result in the direct saving of the $316 million dollars. The school district to which each student returns will qualify for Johnson O'Malley funds, so the savings will be significantly reduced.

The present federal government position reflects that the historical trust and fiduciary responsibilities for Native education will soon no longer rest with the federal government, but from 1982 on will become the State of Alaska's responsibility. However, the federal government has taken no steps to inform the State of the transfer of responsibility nor has the federal government taken any steps to insure that the State will meet the educational obligations that are owed to the Alaska Natives. The State has no plan for the impact of the substantial increase in funding which will be required for the village school system to meet the obligations of providing adequate education to Alaska Natives. We believe that the historical federal trust and fiduciary obligation for Alaska Native education cannot be abridged until the federal government insures that the State of Alaska can and will provide for the State to meet its new responsibility, a study or studies must be done to determine the extent of the impact and the solutions that will be needed to meet the obligation and until such studies are completed, the federal government cannot legally transfer the trust and fiduciary responsibility.

Much has been made of the State of Alaska's Home Boarding School Program, which operates like a foster home for students, who have no school to attend in their village. Closer examination raises two key points. Every State is responsible for the education of its children within its borders. However, the agency's recommendation assumes that Alaska is wholly responsible for the education of the Native children. The federal government recognizes its educational obligations for the Indians in the other 49 states and is apparently concluding that because Alaska is oil rich, it can pay for all of the education costs for its Native children. The federal government cannot abdicate its obligations to educate the Alaska Natives, without an express directive from Congress. No such directive is forthcoming and thus proposed closure of Mt. Edgecumbe directly contradicts present Congressional policies.

The absence of a meaningful educational alternative and the continued responsibility of the federal government to meet the unique educational needs of Alaska compel the continued operation of the school. In a practical sense, the absence of significant savings from its closure and the potential harm, should convince the Committee to continue to fund it.

Statement of the Seattle Indian Health Board

The Seattle Indian Health Board (SIHB) welcomes the opportunity to express our appreciation to the Committee for the 10% increase in Title V Appropriations in 1981 for urban Indian health programs and to request your continued support of our efforts to improve the level of Indian health.

We have provided information to the Committee in previous years concerning the health status and needs of our community. Today, we would like to bring you up-to-date on the services we currently privide and to provide you with information on the SIHB's role in Seattle/King County's overall health care delivery system.

The Seattle Indian Health Board provides a wide range of primary health care services encompassing medical, dental and vision care, mental health and drug abuse services,inpatient and outpatient alcoholism treatment, health manpower training and supportive social services. In 1980, the SIHB provided over 65,000 services and maintained a registered patient population of over 24,000 individuals, with an active user population of nearly 16,000. For many of our patients, the SIHB is their primary source of health care.

Despite the wide range of services provided by the SIHB, we recognize that our program alone cannot meet all of the health care needs of Metropolitan Seattle's Indians and Alaskan Natives. Any significant impact upon the level of Indian health requires the mutual cooperation and support of both the public and private health care sectors.

As with all urban Indian health programs, services of SIHB are intended to fill the gaps in health services to Indians and to serve as an entry point into the larger health care system. Our program has been fulfilling this role for Seattle's urban Indian community for over eleven years.

The Seattle Indian Health board has become an integral part of Seattle's health care delivery system. We have always relied upon the larger health care system to assist us in meeting our goal of improving the level of Indian Health. In recent years, the larger health care system has also begun to turn to the SIHB for assistance in delivering health services to the area's Indian and Alaskan Native population.

The SIHB maintains a multitude of formal and informal agreements with local community clinics, City and County Health Departments, State Department of Social and Health Services, a number of local health-related agencies, and local hospitals. All four SIHB physicians maintain admitting privileges at five local hospitals. In most cases, SIHB physicians also assume responsibility for patient care at these hospitals.

In addition to these agreements, the SIHB also maintains agreements with local private pracitioners. For backup obstetrical care, the SIHB contracts with five private physicians. In order to meet patient demands for dental services, services by SIHB staff dentists are augmented by two private dentists, each of whom works in-clinic one day per week. Psychiatric services are provided by two private psychiatrists and children's mental health care is provided through contracts with two private therapists.

Agreements are also maintained with a number of schools of health. Through these agreements, the SIHB serves as a training site for student nurses, residents and medical students, pharmacy students, pre-dental students, dental hygienists, dental assistants, mental health para-professionals and optometry students.

SIHB services do not duplicate those which exist in the area, but rather complement existing services by providing access to existing services for Indian people. Without the support of both the private and public health care sector, the continued operation of the SIHB would not have been possible.

Many of the local health agencies and private practitioners view the SIHB as the primary resource for health care services for the area's Indians and Alaskan Natives. Referrals to the SIHB medical clinic fromprivate practitioners average approximately ten per month.

A Puget Sound Health Systems Agency study of the King County medically indigent population concluded that the local private sector can maximally meet only two-thirds of the need for physician services. The medically indigent population is defined as those with family incomes below 200% of the federal poverty level, excluding the population covered by Medicaid. This study further concluded that the remaining one-third of the medically indigent population must be served by the public sector. With the Indian population most likely to be below poverty level and without coverage through third-party sources, the services of the SIHB meet a need for a population which would otherwise be without adequate access to health care services.

For those patients with third-party payment sources and those who maintain the individual ability to pay, the SIHB bills for its services. During the past calendar year, billing revenues increased by 53%.

Development and growth of the Seattle Indian Health Board has been a direct result of community need. This need and the SIHB's ability to provide effective health care services has been recognized by State, local and Federal entities.

In recent years, the SIHB has focused attention on the prevention of health problems, in an effort to reduce the incidence and higher costs associated with treatment of disease and illness. Over the past year, the SIHB has reduced its cost per medical visit by nearly 22% ($10.00 per visit). This reduction was due to a combined emphasis on preventitive medicine and efficient management practices.

The need for direct funding of urban Indian health programs was recognized by Congress through the passage P.L. 94-437, Title V, reauthorized in 1980 in P.L. 96-537. The SIHB is confident that the years of forethought and discussion undertaken in regard to this need were not in vain, and that this Congress understands that although significant strides have been made toward improving the level of urban Indian health completion of our work is not yet accomplished. To that end, the SIHB respectfully requests a 1982 appropriation level of $9.8 million for urban Indian health, a 10% increase over 1981 for inflation. Additionally, the SIHB requests an appropriation of $3 million for rural Indian health, authorized for the first time in P.L. 96-537.

The SIHB acknowledges and shares the desire to make the most efficent and cost - effective use of limited public funds. The requested appropriations level will enable the continued operation of urban Indian health programs at the 1981 level with no expansion. Some expansion in services would be highly desirable to allow programs to continue to meet acute medical needs, to further develop linkages with the larger health care system, and to develop peventive health services as a means of reducing health care costs. However, we recognize the necessity for fiscal restraint and the difficult task of Congress to respond to so many needs.

We thank the Committee for the opportunity to present our statement and for its past support of urban Indian health. We will be happy to provide any additional information required by the Committee to support our written statment.

Statement of the Puyallup Tribal School Board

Program Needs

To minimally operate the current academic programs for the school system, $1,057,497 is necessary. This amount provides:

1. Salaries

   Central Administration Staff (Superintendent, Associate Superintendent, Planner...). Direct Instructional Staff: Pre-school-12th grade (Certified teachers, classified staff, counselor) an extremely limited special services staff, Support staff (cooks, bus drivers, janitors, cultural staff).

2. Equipment, supplies and materials to minimally meet classroom, facility and general operational needs.
3. Cost of leases for a sufficient number of school buses to tranport students to and from school.

Of the $1,057,497, nearly one-third ($270,987) currently is funded through Title IV non-LEA (non Indian controlled). Title IV Indian controlled revised regulations now fund Tribal schools for basic support for up to 3 years. This is the Tribe's last year of a multi-year grant for basis support dollars; June 30, 1981 will end the fiscal year and this source of funds for the school system. This situation combined with the Bureau of Indian Affair's student eligibility criteria will result in a severe reduction of staff as indicated in the first column on the following chart.

The second column on the chart indicates additional needs that currently are not being met yet are vital to a complete educational program. These needs include additional classroom teachers, support staff, equipment and supplies for a band, vocational and athletic programs.

$1,598,497 is necessary to meet programmatic needs providing for a realistic quality education for students attending the Puyallup Nation Education System.

In addition to the cost of staff, there are four programs which need extensive materials, supplies and equipment to operate.

Industrial Arts	$50,000
Vocational Education	$30,000
Music/Band	$20,000
Sports	$80,000

CURRENT POSITIONS THAT WILL BE ELIMINATED 81-82 SCHOOL YEAR BECAUSE OF INSUFFICIENT FUNDING

General Operations	$1,500	Additional Needs Currently Not Being Met & Funds Not Available for Next Year	$90,000
Reduced Administrative Staff - Associate Supt., Education Coordinator functioning as Business Manager, Purchasing Personnel, Principals will be teaching principals		Increased Administration Staff: (Personnel, Curriculum Dev. etc.)	
Direct Instruction	196,843		96,000
Teaching Staff: $131,810 Wa-Ne-Lute (1 primary, 1 intermediate 2 aides). Chief Leschi Elementary (1/2 kindergarten, 1 of 2 First/second team teachers 2 of 3 Third/sixth teachers, 2 aides) Chief Leschi Jr/Sr High (1 of 2 social studies, 1 English) Supplies/Equipment: $14,833		Gifted Talented Teacher/Consultants (system wide) Full time kindergarten teacher Voc. Ed. Instructor, Industrial Arts, Music Band teacher 2 permanent substitutes Equipment, Supplies for a Band, Vocational program and athletic program	180,000
Special Education		Special Education	40,000
		Staff: (Full time coordinator Full time Resource Room Teacher, Intinerent Speech Therapist, Psychological counseling...)	
Pupil Services (H.S. Counselor		Elementary Counselors	30,000
Food Services		Food Services	24,000
Reduce kitchen staff by 1 cook		(1 more cook, 2 cook aides)	
Student Transportation	20,830	Student Transportation	19,000
Portion of Bus Leases		Transportation Supervisor, Additional drivers	
Indian Policy Group (School Board Training)			
Pre-School Services		Pre-school Services	12,00
		(Staff Coordinator, cook, driver)	
Johnson-O'Malley			
Operation and Maintenance		Additional Repair	30,000
External Evaluation	3,000		
Inservice training for staff	1,800		
Travel to meetings, conferences	2,335		
Indirect	45,724		
Grand Total	1270,387	Grand Total	$541,000

The report states "the Department indicates that one goal of the facility improvement program is an eventual 20-percent reduction in BIA's gross square footage. OMB directs that part of the increased allowance for the repair program ($5,000K) be allocated for the immediate identification and demolition of this 5-6 million square feet of unneeded and/or unrepairable structures."

OMB is astonishing in its audacity. It takes the departmental goal of an eventual 20% reduction and directs that it all be done immediately. The Navajo Area has 37% of the total BIA square footage. Most of this square footage is currently being used as educational facilities. Should Navajo receive its proportionate share; i.e., a 37% cut of 6 million square feet, it would amount to 2.2 million square feet of structure to be demolished by 1982. OMB apparently believes that this is a simple matter of going out and spraying abandoned buildings with the word "DEMOLISH" and bringing in the bulldozers. They apparently have no concept whatsoever of what this directive would mean in human terms. They are insulated from reality and apparently have little desire to be made aware of their psychosis.

One specific site allowance occurs in Exhibit A under the title Starts for Replacement Facilities -- Navajo Mountain Day School indicates a request of $8.575,000 and an allowance of zero (0). It is our understanding that Navajo Mountain construction has already been approved and that the planning is well underway. Has OMB in its "wisdom" now terminated this project?

The Navajo Area School Board Association makes the following recommendations:

1. That the Navajo Tribal Chairman direct the Tribes considerable legal staff to examine the legality of OMB's position and take appropriate action.
2. That the Bureau of Indian Affairs take seriously its role as advocate for Indian tribes and do whatever it can to oppose the OMB position within federal establishment.
3. That the Congress of the United States take seriously its commitment to Indian tribes and the policy of self-determination and simply not permit OMB to implement its program of demolition.
4. That the incoming Reagan administration recognize the fallacy of such an approach to the facilities problem within the Bureau of

Indian Affairs and set the course of the federal government in a sensible and humane direction that honors both the spirit and the letter of the federal commitment to Indian people.

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1. BIA School Operational Funding

This is the second year of implementation of the Indian School Equalization Program (ISEP). Various difficulties with the formula have occurred as is to be expected when the funding basis for a school system is totally changed. We understand that the House Subcommittee on Interior was responsible for the addition of $3 million to this formula funding. We are very appreciative for this action.

The ability of an agency to respond to the problems which occur and correct those problems is of primary importance in the implementation of the new finance system.

One of the major problems which exists is that schools have not been able to receive their advice of allotment until well into the school year. In FY'80, allotments were received in March of 1980. In FY'81, local schools as well as administrative offices have still not received their advices of allotment as of the end of February. This means that the school year tends to be half gone before a given school is certain about its total dollar figure. Tentative allotments received in the spring of the preceding year have not proven to be good indicators of actual allotments. The biggest variable is the dollar attached to each weighted student unit. This amount is not known until the school receives its allotment. Rumors abound at what this figure might be varying by hundreds of dollars from the lowest to the highest figure. An optimistic administrator could easily find himself in trouble while a pessimistic one might have some difficulty in spending his allotment.

The Navajo Area School Board Association conducted a thorough examination of per capita funding in Bureau schools relative to the 1977 budget. It was found that Navajo schools on the average received about half of the per student funding when compared to the rest of the Bureau schools. Equalization then should be a blessing to most Navajo schools. A three year phase-in was established to soften the effect on schools that had been funded at high rates. Formula funding has not produced substantial additional funds to Navajo schools. In 1977 total element 11 funding for Navajo was $61,225,885. The tentative allotment for 1981 was $70,465,791. Though we are not certain what has happened overall to Bureau funding in that four year period, it

appears that other BIA schools are falling to the level of Navajo funding rather than Navajo Area school funding increasing to an adequate rate. The increase to Navajo has obviously not even kept up with the rate of inflation or the rate of salary increases. There has been a historical pattern to under-fund Navajo programs since they are by far the largest. However, at a given school location a school must live within its own identified allotment and the Navajo Area total means little.

RECOMMENDATION

A. That advices of allotment for schools be forthcoming at least by December of the year for which they are appropriated.

B. That total funding available for the formula be increased at least by yearly inflation rates.

2. Small School Adjustment

The developers of the equalization formula realized that additional revenue was needed to operate a small school. They included in their formula a small-school adjustment. This adjustment is universally believed to be inadequate! Consultants for the Bureau have worked on the adjustment factor to attempt to make the adjustment adequate; however, the work on this adjustment was not completed in time and small schools are being funded again in FY'81 under the same provisions which were inadequate in FY'80. Some special provisions need to be taken to provide adequate funding for these schools. It is critical that small schools (usually day schools) receive adequate funds to operate in FY'81.

Recent recommendations by OMB suggest consolidation of schools in order to reduce expenditures. It is admittedly much less expensive on a per student basis to operate large boarding schools. However, this approach to the problem is deemed to be unsound educationally. These efforts are vigorously opposed on the Navajo reservation.

3. Personnel Pay Increases

Toward the end of FY'80 Congress approved and appropriated the necessary funding for a 5.5% increase in pay for federal employees. These funds were received as additional revenue at such a late date that most schools could not utilize the funds. Schools, therefore, had to absorb the 5.5% increase from dollars already available to them. This created severe budget shortages in many locations where personnel costs already included nearly the entire operational budget.

For FY'81, Congress has approved a 9.1% increase in federal workers pay. It is our understanding that money has not yet been appropriated for this purpose and, even if it is appropriated by Congress, it may again occur that schools do not receive the additional amounts. If this happens, the total amount absorbed at the local level as a result of the pay increase will be 14.6%.

As a result of such an occurrance, many locations would be required to institute reductions-in-force (RIF) where personnel must either be terminated or employees will have to be furloughed for greater periods of time. This type of management is of course nonsensical since even a pay increase would have to be viewed by employees as a negative circumstance to their employment.

4. We are attaching the NASBA issue paper on OMB directives for 1982 regarding BIA facilities. We find the majority of these directives ill-advised and urge that the Appropriations Committees study these directives carefully and take issue with them at the proper time.

5. We are attaching the NASBA position paper concerning the Navajo School Study completed by the Department of Interior at the request of the House Subcommittee on Interior Appropriations. This study is woefully incomplete and would either result in serious reduction in services to Navajo students or would require incredible outlays of money for roads and school construction. This study has received a great deal of concern on Navajo because there is a fear that it may be taken seriously. While we do not believe it will receive serious consideration, we are concerned that it could be brought forward as a means to reduce costs in these days of budget cutting. Should it be necessary to cut budgets for school operations on Navajo, this study should definitely not be used as a basis for those cuts!

6. A great furor has been caused during FY'80 concerning the closure of the Kinlichee school. A commitment has been made by the BIA to renovate that facility. Efforts to honor this commitment are proceeding very slowly. The closure of the school was ill-advised and based upon engineering reports which compared the school structure to the requirements under the Uniform Building Code. With this incident serving as a precedent; i.e., that school facilities constructed long before the provisions of the Code were developed must meet the requirements, a great many facilities on Navajo would require substantial renovation or closure! Most of these facilities are not regarded

as unsafe. They are simply not in compliance with the requirements of the Uniform Building Code.

There are many unsafe portions of many schools on Navajo. These conditions continue to exist with full knowledge that they do exist due to a lack of efficiency on the part of facility management and due to lack of funds.

The largely symbolic closure of Kinlichee did nothing to enhance the safety of Kinlichee students since the majority of these students were moved to other locations which by the Bureau's own criteria are less safe than Kinlichee.

The Bureau has marked for demolition at Kinlichee a 50 year-old handmade structure of 1 1/2 foot walls of red sandstone. With proper maintenance this beautiful structure would still be standing long after the crude concrete block construction disasters of the 1950s and early 60s have crumbled to dust. This sandstone structure is of the same type that currently houses the Navajo Area Director and Navajo Tribal Chairman, which structure is also claimed by the engineering reports to be a threat to life safety. The fact that these structures do not comply with the requirements of the Uniform Building Code and cannot realistically be brought into compliance is the sole reason why they have been marked for demolition. No one really believes them to be unsafe!

ISSUES RAISED BY THE PRELIMINARY NAVAJO SCHOOL STUDY

INTRODUCTION

In the interest of providing improved educational services to all Navajo children, the Navajo Area School Board Association has adopted the following position paper on particular issues effecting Navajo education.

I. School Enrollment Boundaries

The Navajo Area School Board Association is aware that some agencies in Navajo developed and implemented over three years ago a successful intra-agency school enrollment boundary policy whereby each local school agreed, through consultation and compromise with other schools, to establish boundaries. Students residing within those boundaries would have to attend that school. Exceptions could only be made through the consent of the school boards involved. We believe this locally oriented approach should be used to establish a Navajo-wide enrollment policy for all BIA schools with agency school boards agreeing to boundaries for schools where enrollment at the secondary level would necessarily overlap. Thus, a tribal policy could be developed which left to local school boards

the actual placement of enrollment boundaries and the agency school boards would work out satisfactory solutions to any disputes.

Where BIA and Public Schools compete with each other parental choice should be the deciding factor for the initial placement. Thereafter, an agreement of reciprocity will have to be developed between the BIA and the effected public school districts for detailing the terms of transferring between public and BIA schools when it is in the best interests of the transferring students. It must be left to the parents to decide in which school to place their children and after that they must show good cause to transfer from one school to another.

Critical to the establishment of school enrollment boundaries and the development of enrollment policy is a tribal responsibility to provide and strictly implement enforcement procedures for its own compulsory school attendance code. All schools should have a set process whereby they can initiate proceedings to be carried out by the tribe to enforce compulsory school attendance (Title 10, Sections 114).

II. School Closures or Expansions

The tribal code, Title 10, Section 2, Changes In Education Programs -- addresses this area specifically and should be used as the basis for all future policy and related procedures. Specifically to be evaluated is the viability of each school under consideration. To obtain objective data in this regard the proposed regulation changes in the Indian School Equalization Program (Section 31h.22) could be adapted for this purpose. The Education Committee of the Navajo Tribal Council should be the entity which determines how the provisions of the Code should be implemented in specific cases and how the "consultation" spoken of in the federal regulations should be accomplished.

III. Transition from Boarding to Day Schools

It is the long term view of the Navajo Area School Board Association that the transition from boarding to day schools should be accomplished only over an extended period of time. Only after the present realities of living conditions, road improvements and other circumstances are relieved should such a transition occur in earnest.

Serviceable roads need to be built and maintained first. Day schools and public schools do not now have adequate roads to regularly and routinely pick up their students. Absenteeism because of a lack of transportation is presently a critical problem in public and BIA day schools. To increase

day schools before providing roads to transport students would be a grave mistake. Now some parents take their students out of day school and send them to boarding school during the winter because otherwise they would not be able to attend school at all

There are other associated circumstances of remoteness and poverty which need to be addressed before boarding schools are closed. Many homes have no electricity or running water and the parents prefer their children to attend boarding school where their health and welfare, as well as their education, can be better looked after.

The concern of the subcommittee over boarding schools is well intended and, if given vastly improved circumstances, we would agree. We very strongly disagree with the characterization of boarding schools as being destructive to the Indian family and community life as quoted from the Indian Child Welfare Act (P.L. 95-608). Our parents want boarding schools and want them upgraded in facilities. They feel very strongly about this and will continue to do so until the need for boarding schools no longer exists. Therefore, the closing and expansion of schools needs to be planned carefully and coincidentally with road construction and consideration for the economic and sociological factors involved using the process described in II above.

IV Freeze on Funds for Expansion or Replacement of Boarding Schools

This directive by the subcommittee should be lifted as soon as possible or the certification process called for by the Appropriations Committee developed by the tribe and the BIA quickly. Needed construction and renovations are being held up and some facilities our students must use are deteriorating to a very substandard state. Given the present circumstances, it is our view that the educational needs of a majority of our students can not be satisfied through a day school program for many years. We would hope in the future that any funding freeze being contemplated would be discussed with the effected parties and the local tribal and school board representatives consulted.

This same consulting process should be used to provide tribal coordination between construction proposals by the public schools under Section 14 of P.L. 81-815 and the BIA construction proposals for schools on or near the Reservation.

SUMMARY

The Navajo Area School Board Association is ready and willing to expand further on any of the above positions or related matters in whatever way necessary to contribute toward Navajo education and to benefit all Navajo children.

Statement of the Mississippi Band of Choctaw Indians

The Office of Management and Budget has proposed to consolidate over 40 social and health programs into a single block grant to the states as a part of the on-going budget-cutting process. In addition, there is discussion of decategorizing educational programs and block-granting them to the states. The deliberate process for gaining input has included meetings and hearings involving the National League of Cities; the Association of State, County and Local Officials; the National Governor's Conference; and the National Conference of Mayors. To date, however, this process has not included participation by representatives of nearly 500 federally recognized Indian tribes and organizations, representing more than 1 million members. These tribes own more than 100 million acres; the aggregate reservation lands equal in area all of the combined New England States, plus Delaware and New Jersey, and in most situations constitute jurisdictions for tribal members apart from the operation of state laws and state governments. They are responsible for their own self-governance and are recognized through a specific portion of the Commerce Clause of the United States Constitution, since as early as the Marshall Supreme Court, as quasi-sovereign entities. Three hundred eighty different treaties, an entire volume of federal statues, 800 pages of federal regulations, hundreds of opinions of government lawyers and thousands of court decisions, spell out a relationship principally with the federal government and to the exclusion of the states that is inextricably established and commonly recognized under the term "trust responsibility." To date, the proposed block grant consolidation activities have failed to take into account these special circumstances.

This is due no doubt to the relatively minor level of the political power of Indian people, and the federal government usually overlooks these legal relationships. Several pieces of block-grant-type legislation define Indian tribal governments as local governments, which, of course, they are not. Others treat tribes as states. One designates the Bureau of Indian Affairs as the "Indian state," and designates the Commissioner of Indian Affairs as the "Governor."

Legislative enactments which do not mention tribes at all and which involve block grant funding usually work to the disadvantage of members of federally-recognized Indian tribes. Even though, by law, these people are citizens of the states in which they reside; state governments usually do not treat them as such in the distribution of state funds, including the funds provided the state by the federal government which include Indians in their allocation, and consider tribes to be a separate federal effort. States are in part justified in this approach because legally they have no jurisdiction over Indians on reservation. Indian people, however, end up "falling through" these jurisdictional "cracks," and receiving few needed services at all.

Title XX of the Social Security Act, which does not mention tribes, and the involvement of the Mississippi Band of Choctaw Indians with it, is a good example. We have been dealing with the state of Mississippi on Title XX since 1975; but we have yet to receive any Title XX benefits. First, the state Department of Public Welfare (DPW) cited a pending court case in which our federal recognition was questioned to turn down a family services proposal. After the United States Supreme Court had decided that case in our favor, DPW maintained, in response to a day care proposal, that it could only fund non-profit institutions and public (that is, state or local) agencies; and the Mississippi Band of Choctaw Indians fell into neither category. We proceeded to demonstrate to DPW through the legal record that we were a public agency though neither state nor local, and eligible. That hurdle past, DPW said it did not wish to fund what in their eyes would be a segregated facility. DPW has now been given assurances that the day care facility will serve all persons in the local area, and we are now awaiting word on contract award. Yet, because the social programs block grant proposal includes a 20 per cent funding reduction, we are not optimistic that the state will fund a new Indian project in lieu of some of its ongoing projects.

On the other hand, other block grant legislation, from the Comprehensive Employment and Training Act to the new Title VI of the Older Americans Act, in which provision has been made for direct grants to federally-recognized tribes outside of the state process, has been beneficial to tribal self-determination and encouraging to tribal self-sufficiency. This approach maintains the integrity of the tribal-federal relationship and aids tribes in the creation of tribal governmental institutions for self-development, and eliminates state agency categorization and other red tape.

This tribe has made significant gains recently in the area of industrial

development because of block grant mechanisms with an Indian set-aside. By this fall, we will have created over 515 permanent jobs in two tribal enterprises, thus raising incomes, developing the reservation economy, and reducing federal dependency. At times in this process, as we were dealing with major private industries, we have had to move rapidly. Critical to establishment of both of these industries was rapid implementation of on-the-job training, which we were able to do because we are our own CETA prime sponsor. Had we been required to proceed through the state CETA program, the private industries would have become impatient, we could not have obtained the 515 jobs, and our dependency would not have been reduced.

The block-grant-with-Indian-set-aside approach (usually expressed in terms of a percentage of total) most closely addresses unique Indian needs on a federal departmental or program basis. It, however, requires a separate, though small, addition to each department's bureaucracy to monitor block grant administration at the tribal level. Because we realize the necessity of the Administration's aim to reduce the size of the federal bureaucracy during a time of inflationary crisis, we would suggest consolidation of the various block grant Indian set-asides as a "pass through" to tribes under the monitoring function of a single agency. This would require only a minimal amount of additional administrative costs at the federal level.

Logically, this agency would be the Bureau of Indian Affairs for the federally-recognized tribes. The Administration might also consider along with this "pass through approach, the reconsolidation of the Bureau and the Indian Health Service. We might point out parenthetically that a plurality of the programs proposed for Social Services and Categorical Health Consolidation under block grants are Health Services Administration-run programs from which tribes have been excluded, in part because there has been an assumption that IHS serves total Indian health needs.

Of even more concern than health and social services, though, is education. Indian tribes have long realized that the only hope for the eventual equalization of the Indian standard of living with that of the rest of the country is the education of Indian children. The strength of this concern was shown in the massive opposition of tribes to the creation of the Department of Education and the possibility that Bureau-administered education programs might be transferred to it.

The Bureau of Indian Affairs is curently charged with the responsibility for educating Indian children, reflected in the School Operations line of the Bureau budget and recently made subject to an inter-school allocation formula prescribed

in Public Law 95-561. Basically, BIA School Operations is the minimal level of classroom instruction equal to that provided in local non-Indian school districts by state and local taxation. For any specialized services, tribes must look to the current Department of Education programs for which, historically, tribes have not competed very successfully with non-Indian school districts. (An exception is Title I ESEA, which is "passed through" to the Bureau.) Block-granting of these programs to states without an Indian set-aside would almost certainly result in the exclusion of some of the Indian public school districts, and all federally-operated Bureau schools.

In the area of Indian housing, we would suggest that if authority for HUD programs could not at this time be transferred to the Bureau, that at least the new Indian area office structure be maintained so the unique nature of Indian housing problems can be addressed directly. The problems of tribes are so culture-specific that there must be a separation in their federal administration, if not through transfer to the BIA, through maintenance of Indian offices, not only in housing, but in most other areas.

Of special concern to tribes is the category of reservation economic development. As we pointed out above in our discussion of the efficacy of the CETA block grant arrangement, we have recently seen notable successes in industrial development on our reservation. We have, in fact, broken new ground by becoming the first tribe to mobilize the resources of state industrial revenue bonds. Because this type of success reduces tribal dependency on the federal government in welfare, nutrition programs, medical care, and, in general, funds provided because of lack of an economic infrastructure which tribes can tax; we view with some alarm the proposals to eliminate the loans and grants of the Economic Development Administration, the BIA industrial and business development programs, and CETA--especially CETA's private sector program. The third-world economic enclaves known as reservations are a drag on the national economy as a whole, and the "bootstrap" activities represented by the programs proposed for elimination are essential. Since they are slated for defunding, there appears little possibility for block grants to tribes here. We would, however, urge the Administration to consider substantial Indian set-asides through the BIA for future reservation development programs, including the designation of reservations as targeted enterprise zones.

In summation, we would say that the concept of tribal sovereignty requires direct tribal inclusion in the block grant process, in the same way that the con-

cept of states' rights serves as the rationale for that process. As the President pointed out in his statement of September 26, 1980:

> History tells us that the only effective way for Indian reservations, and Indian communities, to develop is with local Indian leadership. Bearing in mind the legal and historical background, tribal governments must play the primary role in Indian affairs. State and non-Indian local governments can at best play a secondary role.

The concern to maximize state and local control should not overlook the constitutionally-mandated governmental control exercised by the federally-recognized Indian tribes, and the necessity for strengthening tribal governmental institutions. Indian set asides in the block grant process would assure a greater emphasis on the federally-recognized tribes in developing their communities, educating their people, providing quality health care, upgrading housing to standard, and developing tribal resources, including natural resources and economic and business potential. All of these represent steps in decreasing dependence on the federal government. While decreasing the level of dependence is an aim, the special federal responsibility for the unique institutions of tribal governments must, by law, be preserved. The record has proven that federally-recognized tribes cannot rely on the states. The special federal relationship cannot be broken at this point.

Over little more than a decade, federally-recognized tribes have made tremendous progress in the face of tremendous odds, through implementation of the policy of Self-Determination. Our communities are much improved and our people are better educated than ever. To reverse this progress would be a sign of weakness on the part of the federal government and would actually result in higher costs to the federal government in the long run, as tribal self-sufficiency diminished and the population returned to the welfare rolls.

To date, no one in the federal government has been concerned or requested our input into the proposed budget cuts, including those to be implemented in tandem with block-granting. The federal government is primarily responsible by law for providing assistance to federally-recognized Indian tribes and their members. Many groups of people claiming Indian status have received a great amount of federal funds over the past several years, but it is not incumbent upon the federal government to serve these people as it is with the members of federally-recognized tribes. Finally, we would point out that urban members of federally-recognized tribes do need continued direct federal assistance, at least in part because it was the federal government that relocated them to the cities, ill-prepared, in the 1950's.

STATEMENT OF THE CALIFORNIA URBAN INDIAN HEALTH COUNCIL, INC., OAKLAND, CALIF.

Last year we appeared before you to discuss that problems that urban Indian people have in accessing health care. We asked you to recognize that 50% of the country's Indian population lives in urban areas and that the government's policy for providing access to care and Congress' recognition of the urbanization of the Indian population fails to address the critical needs that urban Indian people have.

We asked you to give us a chance to make our programs effective and accountable. We in California feel we have accomplished a part of that. We have improved the collection of third party revenue, sought funding from other sources and worked to more rationally define our needs.

We realize we are in a budget crisis in this country - a crisis that will see special interest groups competing for scarce resources and being made to account for every dime and dollar spent.

We are prepared for this. We believe that community clinics have proven to be an effective, low cost method of delivering care. Preventive and out-patient care delivered through clinics reduces inpatient hospitalization and helps control spiralling hospital costs.

For Indian people, Indian clinics represent access to care not available through the private sector.

Studies conducted in various parts of California indicate that almost 20% of our urban Indian population is medically indigent and - without our clinics - would have no access to care.

Even those who are eligible to receive care under Medicare or California's Medi-Cal system often do not know they are eligible or cannot find private providers who will accept them as patients. These Indian people wait until they are at a crisis point and then seek more expensive care through hospital emergency rooms.

We are appearing before you today less as a special interest group than as a concerned health professional organization. We want to insure that our patients have access to care; that Indian women, who have the highest rate of no or late pre-natal care have access to timely obstetrical service; that Indian children - who have the highest rate of Sudden Infant Death Syndrome have access to consistent pediatric care, adequate nutrition and comprehensive immunization programs; that Indian people with an alcoholism rate of five times that of the general population have access to alcohol prevention and treatment programs.

We are here today because we want to encourage you to look at health delivery as a system; to tell you that we are prepared to work in partnership with hospitals and private providers and to ask you to recognize that Indian clinics in both urban and rural areas are a viable, low cost part of that delivery system.

We ask that you address the role of Indian clinics as the only source of health care to a portion of our population who for financial or cultural reasons cannot access mainstream providers even in areas where there appear to be an abundance of private physicians.

We encourage you to hold us accountable for delivering quality care but also to insure that there is care available.

In this era of shrinking resources, we hope you will join with us, as you have in the past, to improve the health status of urban Indian people. We want to thank you for providing us with a 10% inflationary increase last year and hope you will consider that again since the inflation rate - as you know - is far in excess of that and in fact, because of that, our funds actually bought less for our patients.

We hope that despite the fierce competition for funds, you will consider our programs that meet only part of the needs of their communities and provide them with resources to improve the health

status of Indian people. We hope that in addressing allocation of resources, you insure that there is a rational method of funding to meet identified needs and that the method is comprehensive enough to recognize the needs of Indian people where ever they live.

We stand ready to work with you and with the private sector to improve health care delivery to Indian people. We hope you will assist us in accomplishing that objective.

SUMMARY: THE NEED FOR A NEW HOSPITAL AT FORT BELKNAP, MONT.

Background: The present PHS Indian hospital at Fort Belknap was built in 1932. Over the past 49 years this aging facility has served the Gros Ventre and Assiniboine Tribes located at the Fort Belknap Agency, as well as non-Indian patients from the nearby off-reservation communities of Harlem and Dodson, Montana.

Since there is no surgery at the Fort Belknap hospital, many reservation people in the southern communities at Lodge Pole and Hays must travel 80 to 90 miles to the Northern Montana Hospital at Havre or over 200 miles to the Deaconess Hospital at Great Falls where IHS contracts for medical care.

A few attempts at renovation to upgrade the present hospital have been made over the years. Recently, however, renovation which was budgeted and approved by IHS's construction arm, the Regional Office for Facilities and Engineering Construction ~~(or Contracts?)~~ (ROFEC), to begin in 1980-81, has fallen through. Consequently, we do not know where we stand with renovation of this ancient health care facility.

Insufficient space, delays in renovation, and manpower shortage have resulted in many criticisms of the Fort Belknap PHS Hospital during our accreditation visits by JCAH (Joint Commission on Accreditation of Hospitals). In 1975, for example, accreditation was denied. Last year we received a two-year accreditation, but with severe lack of space, renovation, and staff, successful accreditation since 1975 has only been possible through the most extreme and commendable efforts of the local IHS staff.

A site for the new hospital was authorized by a Tribal Resolution passed in 1975 and the Tribal Council has set aside 7.33 acres since that time. This was a response to the community's assessment of a new hospital as our number one health priority.

Present Need: The 2,603 Gros Ventre and Assiniboine people at Fort Belknap and nearby non-Indian residents at Harlem (1,094) and Dodson (196) greatly depend on the PHS Hospital for emergency room service and obstetrical care for newborn infants.

During fiscal year 1980, the hospital utilization included the following:

1. Newborn Nursery
   - Total Births 53
   - Newborn days.....162

2. Outpatients
   - Emergency visits 2,269
   - Other.....18,004

3. Inpatients (18 beds)
   Admissions (excluding newborns).....629
   Inpatient days (excluding newborns).2,409

4. Medicare
   Admissions 36
   Inpatient days 206

5. Medicaid
   Admissions 35
   Inpatient days 91

We have no surgery capability, no skilled nursing care, and our 18 beds are often not enough. For example, during one day (December 29, 1980) 146 patients visited the hospital.

Our pharmacy is understaffed. One person is performing the work of 2 people here. For example, we often average 150 prescriptions filled per day. In addition, our lab is staffed with two people who have been doing the equivalent work of 3 for quite a while now.

With our present number of IHS staff, we cannot offer the level of outpatient and inpatient care needed for the Fort Belknap Community.

Recommendations: As noted in our previous testimony before the Senate Appropriations Committee on March, 1979, the Fort Belknap PHS Hospital still has the following needs:

Hospital Construction	$ 6,900,000.00
Group II and III equipment	922,000.00
26 Staff Positions	803,000,00
23 New Quarters	1,058,240.00
First Year Operation	290,000.00
Total	*$ 9,973,240.00

* In seeking funds we are using Indian Health Service's 1975 replacement cost figures plus allowance for inflation.

* Total Funds Requested: $10,000,000.00

Statement of the National Committee on Indian Education

Mr. Chairman, I am pleased to submit, once again, the views of the Association on American Indian Affairs on the budget request submitted by the Bureau of Indian Affairs for Indian education programs.

The Association on American Indian Affairs, Inc., is a national citizens' organization with approximately 50,000 members, Indian and non-Indian, which has been active in the protection of the rights of Indians and Alaska Natives and in assisting Indian tribes in achieving their social and economic objectives since 1923. The Association has frequently submitted testimony to this Subcommittee in the past on a range of matters involving the federal programs and services for Indian people, and we appreciate and commend you for your concern for Indian advancement.

We commend the Bureau of Indian Affairs on its request for $197,632,000 for school operations. While the request of $2,993,000 above the FY 1982 base does not fully compensate for the impact of inflation on the BIA budget, we do feel that the request reflects the Bureau's continuing effort to provide an adequate educational program for the 44,000 Indian children being educated in Bureau schools.

The Bureau's attempts to implement the Congressional mandate in P.L. 95-561 that educational funding should be equitably distributed among Bureau schools also has our support. However, we have noted in the past year several severe deficiencies in the Bureau's Indian School Equalization Program, as well as in the Bureau's relationships with the tribally-operated schools which function under the Indian Self-Determination and Education Assistance Act.

First, we are aware of the fact that the Bureau consultants strongly recommended as long ago as June 1980 that the Bureau formula for distributing education funds among schools should be modified to assure smaller schools an adequate funding level to provide sufficient funds to cover student transportation. The Association has long encouraged the Bureau to reduce its dependence on boarding schools and to provide an educational opportunity for Indian children in day schools as close to home as possible. We were delighted when the Secretary of the Interior promulgated Indian education policies which accepted this principle on October 9, 1979. Adequate funding for small schools, especially for those which contain a wide grade spread, and adequate transportation funds in rural areas (such as the Navajo Reservation) are indispensable if Indian children are to be shifted into a day-school environment from the 63 boarding schools still being operated by the Bureau. We are shocked that the Bureau has failed to act on the recommended alterations in the formula. We understand that the Committee directed that such changes should be in place for the current school year.

We urge that the Committee pay serious attention to the question of whether small schools are being funded at a minimally adequate level. The information which we have received from such schools as Black Mesa and Little Singer on the Navajo Reservation indicates serious insensitivity on the part of the Bureau to the needs of Indian children in these schools. We testified on this problem last year, and we hope that decisive attention is given to this problem before these schools become insolvent and close their doors.

We are also disturbed at evidence that the Bureau has failed in its deeds

to match its words of support for Indian self-determination in education. A number of contract schools have failed to receive substantial portions of their negotiated contract budgets and currently face stringent financial crises as a result of the Bureau's failure to provide funding for administrative costs and facility operation costs. Schools affected by one or both of these problems include the Black Mesa School, the Little Singer School, the Shiprock Alternative High School, the Rock Point Community School, the Borrego Pass School, the Alamo Navajo School, and the Miccosukee Indian School, all schools operated under contract with the Bureau by locally-elected tribal school boards.

Far into the school year the Bureau has not negotiated administrative budgets with many of these schools, is proposing to change the cost principles to be applied (in mid-year) and has revealed a $2,000,000 shortage to meet such costs in the Navajo area alone. For the second year in a row the Bureau has withheld, until far into the school year, funding which, under BIA regulations and specific directives of the Appropriations committees, is intended for the operation and maintenance of facilities owned by the tribal school boards in which BIA-funded educational programs are being operated.

The second area of grave concern on the part of the Association is the FY 1982 budget request's failure to request any funds at all for the construction of new schools. The Association was pleased at the establishment of a systematic approach to the evaluation of school construction priorities. We are aware that the priority system which was promulgated by the Secretary of the Interior on May 22, 1979 was the result of encouragement by your Subcommittee. We understand that--once these procedures were working--the Congress would move forward promptly to provide safe and adequate school facilities for the education of those Indian children who are a federal responsibility.

Consequently, we find inexcusable the Bureau's complete failure to address these needs in its FY 1982 budget request. The FY 1981 budget request included a full-page ranking of construction priorities. On November 13, 1980 the Bureau published an updated priority list in the Federal Register and distributed a list to all tribal chairmen, indicating that it would be transmitted to you in support of the FY 1982 budget request.

Nonetheless no ranking list was included with the FY 1982 budget request.

I am submitting to you with this statement a copy of the safety report on a contract school at Black Mesa on the Navajo Reservation which is operated for grades K-8 by a locally-elected Indian school board under the Indian Self-Determination and Education Assistance Act. While this school was ranked number

two for FY 1982 under the priority system approved by your Committee, we understand that the Bureau, through an administrative error, failed to include it in the list published on November 13. While the Bureau is fully aware of the fire safety problem in this school, its failure to request any funds for school construction in FY 1982 means that these conditions will continue unless this Committee and the Congress are prepared to correct them.

We do not mean to single out the Black Mesa community above other communities with construction needs. We do feel strongly that the continuation of this day school operated by a local board as close to the children's homes as possible is essential if the Bureau's commitment to day schools and to local schools is to be credible. And we do not believe that the present unsafe conditions should be allowed to continue for another year. The Bureau's "study" of schools on the Navajo Reservation, which is now presented as an excuse for delay in the budget request, provides no reasonable response to the needs of children who are being educated by the federal government in life-threatening facilities.

We urgently call the attention of your Committee to the continuation of dangerous conditions such as these, both in BIA-funded contract schools and in BIA-operated schools, and urge prompt action by the Congress to replace facilities which threaten the lives of Indian children. In the face of such conditions and in view of the establishment of the ranking system, we can scarcely find words to express our reaction to the Bureau's request of $900,000 for educational construction (earmarked entirely to equipment for a school already being constructed) as against the $44,679,000 appropriated last year.

Last year we noted the failure of the Bureau to publish the educational standards required by Public Law 95-561. We are disturbed at having to note this failure once again. We are told that the standards are still under review by the departmental attorneys. Until the Congressional mandate to establish minimum educational standards is obeyed by the Executive Branch, the development of an educational budget which rationally addresses the educational needs of children in federal Indian schools will be extremely difficult. Is it possible to seek some form of penalty for federal officials who violate Acts of Congress wilfully?

Last year we noted that a need exists, which is confirmed to us by Bureau education staff, for doubling the higher education scholarship program. The FY 1982 request, by asking only for $1.5 million more than the $26.9 million requested

last year, merely tries to keep pace with inflation while the Bureau expects an additional 1,000 scholarship students and its justification shows that it turned down 10,000 applicants last year.

We do wish to commend the Bureau, in general, for its implementation of the Tribally-Controlled Community Colleges Act. By funding 13 such colleges in FY 1981 the Bureau has encouraged the development of higher education opportunities within the reach of Indian reservation young people and in a tribal context. When tribal authorities sanction such an approach to higher education, the Association feels that it should be strongly supported by the federal government and urges your Committee to appropriate the full $10,279,000 requested for this program.

The Association recognizes that we are entering a period in which it will be difficult to maintain the federal effort in Indian education which our national obligations to Indian people requires. We believe, however, that your Committee and the Congress will recognize that the commitments so recently made to Indian children and their families and communities in Public Law 93-638 and Public Law 95-561 must be honored and that the need for economy in government must not lead the U.S. to default on its longstanding obligations to Indian children, obligations so recently and so solemnly confirmed by the Congress.

LETTER FROM EUGENE A. BEGAY, COUNCILMAN, LAC COURTE OREILLES TRIBAL GOVERNING BOARD, HAYWARD, WIS.

11 March 1981

The Honorable James A. McClure,
Chairman, Senate Appropriations
Interior Subcommittee
1208 Dirksen Office Building
Washington, D.C. 20510

Dear Chairman McClure:

This letter, submitted for the printed record of the 19 February 1981 Subcommittee hearing on the Bureau of Indian Affairs, Indian Health Service and Office of Indian Education fiscal 1982 budget, is a request to the Interior Appropriation Committee to set-aside within the current, proposed Contract Support Fund line-item for those agencies, $500,000. which would be allocable to our tribe as follows:

-fiscal years 1979 and 1980 actual deficits, $200,000.
-fiscal year 1981 projected deficit....., $300,000.
(See attached LacCoute Oreilles Tribal Governing Board Resolution 81-10).

Being aware that the BIA fiscal 1982 budget has undergone line-item reductions in accord with necessary overall budget restraint, our Governing Board requests that, should the January, 1981 BIA Congressional Budget Estimate submission figure of $28.5 million for tribal administrative costs(1) subsequently be available for fiscal 1982 as a reduced

(1) Department Of The Interior, Bureau Of Indian Affairs Budget Estimates, Fiscal Year1982 Congressional Submission, page BIA - 4, under the Indian Services $239.9 million category, . . . "Included are $28.5 million for tribal administrative costs associated with P.L. 93-638 contracts."

figure, the Appropriation Committee add-on to the Bureau budget an amount necessary to recover such stated sums for those appealing tribes.

The Bureau of Indian Affairs currently acknowledges that Contract Support Funds are under -allocated (or administratively mis-applied), by identifying this issue for focus within the now being initiated "Review of BIA Budget Procedures" Task Force, to include Bureau, Congressional, Office of Management and Budget and tribal perspectives. Our tribe is encouraging the Senate Select Committee on Indian Affairs to include this issue in their oversight of the fiscal 1982 Indian budget.

(With the now revised budget including a "Block Grant to Indian Affairs" initiative for the Bureau of Indian Affairs, in which we understand $6.2 million for Contract Support costs of participating tribes is included within the $121.5 million block, it is conceivable that the Fiscal Year 1982 budget could both eliminate our previous deficits, and be the beginning of an assurance that Public Law 93-638, self-determination indirect costs will be consistently applied to tribes initiating these contracts and grants).

The LacCourte Oreilles tribe has had established a 28.2% indirect cost rate as approved by the Office of The Inspector General - Department of the Interior, however, because of the Office of Management and Budget requirement that one federal agency cannot pay for another agency's indirect costs, our tribe is victim to the "theoretical over-recovery" shortfall syndrome,(2) as well as to the fact that our various "rates" pay for some,but not all,such costs accruable to the conduct of tribal government.

Subject, therefore, to outcomes from the Bureau of Indian Affairs' planned two-to-three year budget review (to include issues pertinent to Public Law 93-638 contracting and grant procedure), our tribe is unsure of the adequacy of the existing legislation (and its administrative interpretation), to properly allocate Contract Support Funds in accordance with our approved 28.2% indirect cost rate. In the interim, we see no other recourse available to our tribe, except that of appealing to your Committee to provide remaining, unrecovered overhead costs when the BIA budget request underestimates them -- as was the case in fiscal years 1978, 1979 and, we believe, 1980.

Thank you for your consideration of this issue vital to strengthening tribal governments capacity to govern.

Respectfully submitted,

Eugene A. Begay

Councilman Eugene A. Begay

Statement of the Paiute Indian Tribe of Utah

The Paiute Indian Tribe of Utah would like to submit the enclosed material in support of the deliberations of the Subcommittee as it addresses the Indian Health Service (IHS) appropriations. Although this material was not available during the public hearings, we would greatly appreciate it being included in the record of the Administration hearings.

Our Tribe was reorganized to obtain Tribal status under the Paiute Indian Tribe of Utah Restoration Act (P.L. 96-227). This law restored the Federal trust relationship of the Shivwits, Kanosh, Koosharem, Indian Peaks and Cedar City Bands of Paiute Indians of Utah.

Upon passage of P.L. 96-227, the members of the Tribe became eligible to receive federal services which were available to other Indian Tribes. However, with the exception of some minimal assistance for higher education and enrollment, the Bureau of Indian Affairs has not provided services which other Tribes receive. Thus, funds should be appropriated for services such as social service programs and education. It is estimated by BIA representatives that $1,260,810 will be needed during

(2)I.e., the OASC - 10 (Office Assistant Secretary, Comptroller) provides guidelines for the preparation of indirect cost rate proposals and rules for implementation and administration of indirect cost rate agreements.

Fiscal Year 1982 in order to establish those federal services to which the Tribe is entitled.

Since enactment of P.L. 96-227, the Tribe has been working to develop a Reservation Plan in accordance with the BIA guidelines and a Tribal Specific Health Plan as provided for by the IHS guidelines. The material contained in this submission was extracted from our survey of Tribal membership which was conducted to prepare the plans.

We believe the information contained herein clearly demonstrates that the Paiute Indian Tribe of Utah is in need of health services and/or resources to provide those services. The Phoenix Area Office is the IHS presence which serves our Tribe. We support continual and increased appropriations to IHS and the Phoenix Area Office to help our Tribe rectify the health problems and service deficiencies it confronts.

We respectfully request the Subcommittee's favorable acceptance and review of our submission. If additional information is desired by the Subcommittee, we will be happy to provide it.

STATEMENT OF HEALTH PROBLEMS
OF THE
PAIUTE INDIAN TRIBE OF UTAH

The membership of the Paiute Indian Tribe of Utah has experienced a wide variety of health problems and health service requirements in recent years. The Tribe is geographically removed from services offered by the Indian Health Service and for this reason services are not available to the Tribe through the conventional Service Unit approach. As a result, the Tribe must seek their health care from the private sector and the Utah Department of Social Services.

The health problems of the Tribe are exacerbated by the distribution of the five bands over a distance of 150 miles which provides a major logistics problem in organizing health services. It is unlikely that the IHS Phoenix Area Office will centrally establish a health center which Tribal members can utilize. However, appropriations for contract health services and equity health funding would be helpful in addressing the Tribal health needs and providing the required services.

1. MAJOR APPARENT HEALTH PROBLEMS

The extent to which the Tribal members' health problems exist cannot be defined at this point in terms of prevalence or mortality data. There is very little data about the Tribe and its health trends in recent years. Health data has not been maintained on the Tribe since its disbandment in 1956 and it is not possible to identify all of the health problems that may exist. However, discussions of health problems with Tribal members and knowledgeable health providers coupled with a medical audit of local hospital medical records have shed some light on the nature of the problems.

General Lack of Health Services

It appears that the most significant problem is a general lack of health services. The Tribal members do not have the needed resources to obtain health care from the private sector and there is no IHS Service Unit in reasonably close proximity to the Tribe. (Keams Canyon Service Unit is over two hours driving time from the closest band and there is little transportation available). As a result, access to ambulatory and acute care services is limited.

Some Tribal members are eligible for Medicaid or Hill-Burton benefits. A review of private hospital medical records indicated that those members receiving care were being hospitalized for birth, accidental injury, attempted suicides and respiratory problems. Secondary diagnoses included suspected alcoholism or intoxication, obesity, shortness of breath and congestion.

It would be most helpful if IHS services or contract health or equity funding could be extended to the Tribe to help them obtain the health care they need on a regular basis.

Alcoholism and Alcohol Related Illness and Death

The extent of this problem is continually being determined. However, alcoholism appears to be a prevalent health problem and is accompanied by emotional depression, nutrition problems, spouse and child abuse, accidental deaths and suicides. There is an attitudinal problem as well which mitigates against identifying the extent to which the problem exists.

Dental Health Problems

Tribal members do not have the resources to obtain dental health services. It was estimated that one band (the Kashoorem Band) would need to receive between $20,000 and $30,000 worth of examinations, fluoridation, and restorative care just to elevate the dental health of the 89 members to an acceptable level.

Lack of Health Education

Much of the poor health habits of the Tribe is related to a lack of understanding by the members of what constitutes good health practices. This is particularly evident in the incidence of obesity among the Tribe. In addition to nutritional counseling, health education needs to be provided in the areas of accident and injury control, alcoholism, dental health and oral hygiene, family planning, communicable disease control, pre-natal and post-natal care, blood pressure control, diabetes, eye care, hearing and well-baby care.

At present, the Paiute Indian Tribe of Utah receives very little health services. The primary health concern of the Tribal Council is to bring the membership into the mainstream of health delivery. Additional funds and services from the Phoenix Area of the Indian Health Service will help accomplish this.

2. THE HEALTH EFFECTS OF RADIATION FALLOUT

From 1951 to 1958, there were 97 nuclear devices detonated in the Nevada Desert Test Site. At least 26 of these tests, totalling more than 500 kilotons, produced fallout clouds which extended into Utah. Within the high fallout area, four border counties (Washington, Iron, Beaver and Millard) were identified as having the highest risk of fallout exposure.

In the period of 1944 to 1950, Southern Utah's normally low childhood leukemia death rate (average, annual, age - adjusted) was 2.12 per 100,000. From 1951 to 1958, the rate rose slightly to 2.32. But in the period 1959 to 1967, the rate increased to 6.02.

The actual fallout process is a gradual phenomen, extending over a period of time. The larger particles return to earth within one day after the explosion and within a few hundred miles of the point of origin; depending on the winds. The fission products constitute a complex mixture of over 300 different isotopes, each with a different half-life.

The difficulty, of course, is that no one believes that medical science can say that one cancer case was caused by fallout, another by natural causes, although it may be clear that fallout caused two to three times as much cancer as would otherwise have occurred. Iron County, according to figures from the National

Oceanic and Atmospheric Administration (NOAA), probably received the heaviest fallout from the Nevada testing in the 1950s. The Paiute Indian Tribe of Utah is located in the four counties which received the highest radiation exposure from the nuclear device testing.

A major problem in determining the potential effect of the radiation fallout on the Tribal members is a lack of data about the Tribal health status. There are few documented facts about Tribal members suffering from a higher incidence of cancer. However, there is testimony from the members about their grandparents and parents dying from cancer; premature births; and, some birth defects such as skin discoloration and sealed eyes. In addition, local morticians are reporting a higher incidence of cancer deaths among the general population since 1956 and that by 1960, cancer deaths were a regular occurence.

The Paiute Indian Tribe of Utah believes that the radiation effects of the nuclear blasts are beginning to materialize both among the Tribal membership and the general population. The Tribe would like to obtain additional funds to document the incidence of illness among its membership which is suspected to relate to the nuclear testing.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1982

WEDNESDAY, FEBRUARY 25, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 9:15 a.m., in room 1224, Everett McKinley Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Burdick.

DEPARTMENT OF EDUCATION

INSTITUTE OF MUSEUM SERVICES

STATEMENT OF JOHN B. LYONS, ACTING DIRECTOR
ACCOMPANIED BY:
DICK W. HAYS, ACTING ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT
MARK TODD, BUDGET ANALYST
SALLY H. CHRISTENSEN, ACTING ASSISTANT SECRETARY FOR PLANNING AND BUDGET
THOMAS LITKOWSKI, PROGRAM DIRECTOR

BUDGET REQUEST

Senator MCCLURE. The committee will come to order.

This morning we have the opportunity to review the budget estimates of the Institute of Museum Services, as well as the Office of Indian Education, and we will try to divide the time between those two groups, as best we can, and get as much information as we can for the committee.

I will have to announce now that I may, at the end this morning, if I am able, get another member to sit in the Chair and hear the testimony. I may have to do what we don't like to do, and that's submit more of the questions or perhaps leave it for the staff to ask some of the questions at the end of the hearing this morning, because I have been asked to come down to the White House in the middle of the morning.

The budget request for the Institute of Museum Services is $16,937,000, an increase of $4,080,000 over appropriations to date. We understand that this budget will be subject to revision by the new administration, and that will be taken into consideration during the course of this hearing.

PREPARED STATEMENT

Mr. Lyons, will you please introduce those with you and proceed to highlight your opening statement. The full text of the statement will be included in the hearing record.

[The statement follows:]

Statement of John Barrett Lyons

Mr. Chairman and members of the Committee, I am pleased to appear before you on behalf of the Institute of Museum Services.

The Institute's fiscal year 1982 budget request of $16.9 million represents an increase of $4 million above the current year's appropriation. The 1982 request will fund an estimated 935 grants. Of the increase, $3.7 million will be added to $1.1 million in existing program funds for three year general operating support grants. The remaining $300,000 of the increase is requested to expand the number of special project grants.

Financing Museums in the United States

This year, the Nation's museums will spend over $1 billion to maintain, care for and exhibit their collections. Nearly three-fifths of these museums are governed by a private nonprofit agency, private school, college, or university. Of the remaining 40 percent under public or governmental authority, seven percent are operated by the Federal government.

Self-generated revenues provide the most significant source of income for museums. In 1979, 42 percent of all museum income came from admission fees, memberships, museum shop sales, and fees for classes. Another 15 percent came from individual contributions, donations from business and foundation grants. Together, these private sources provided nearly three-fifths of all operating income for museums. State and local funding and income from endowments provided for another 29 percent of museum revenues in 1979. The Federal government provided 14 percent of the income for museums that year, but 60 percent of this support went for Federal museums. While income from the private sector for museums continues to grow, these sources have not kept pace with the impact of inflation on museum operations, salaries, and services.

Purpose and Strategy of the Institute's Grant Programs

Passage of the Museum Services Act in 1976 provided recognition of the importance of museums and the responsibility they bear as the chief repositories of the Nation's heritage. The Museum Services Act mandates support to "mantain and improve services and activities."

To carry out this mandate, the National Museum Services Board, which is the policymaking body for the Institute of Museum Services, has developed a number of museum grant programs that will:

- Support a portion of general musuem operating costs.
- Improve management techniques and establish long-range planning methods for more efficient use of limited resources.
- Foster the growing relationship between schools and museums.
- Provide for conservation of collections and assist museums in preserving their collections for future generations.

The museum community described by the Museum Services Act is extremely diverse: There are approximately 5,500 eligible museums. In discipline they range from art, history, natural history, and science museums to botanical gardens, aquariums, and zoos. In size they range from annual operating budgets of less than $1,000 to $45 million.

In responsding to this diversity, IMS has developed a number of flexible programs which maximize the impact of its support with minimum Federal intrusion. To maintain and improve museum services, the Institute provides general operating support grants and special project grants.

General Operating Support

For fiscal year 1982, the Institute requests $15 million for the General Operating Support Program, of which $10.2 million will support one-year grants and $4.8 million will go for multi-year grants.

The General Operating Support Program allows museums to determine their own critical operating needs within the Institute's general guidelines and criteria. A museum may use an IMS grant to pay for a variety of services depending on the size, type or local institutional need.

In fiscal 1982, one-year general operating support grants will be limited to museums with operating budgets of less than $500,000; the grant may not exceed $35,000 or 10 percent of the recipient's annual operating income.

Originally, all museums were eligible for the one-year general operating support grants. With the assistance of a survey conducted by the National Center for Education Statistics, the Institute identified two major groups in the museum community: (1) those with incomes under $500,000, representing 93 percent of the institutions eligible for IMS grants; and (2) those with incomes of over $500,000, representing only about seven percent of the Nation's museums. These larger museums, however, account for 44 percent of total museum attendence, 70 percent of all income, and 51 percent of all staff.

Because of the diversity of these two groups and the inequitable competition between them for funds, the Institute proposes to create two separate operating support programs in fiscal year 1982: (1) a one-year general operating support grant, limited to museums with incomes of under $500,000, and (2) a multi-year general operating support grant open to museums of all sizes.

With the establishment of a separate category, small and medium-size museums will compete with one another rather than with the larger museums which have greater capabilities. The intent of the three-year grant is to provide stable funding against which institutions can generate increased local support for general operating needs. The new three-year general operating support grants focus on the needs of larger museums but are not restricted to them. These grants will provide for declining Federal participation and escalating matching requirements over the three-year period. Grants must be matched on a one-to-one basis the first year, a two-to-one basis in the second year, and a three-to-one basis in the third year. Applicants must demonstrate institutional excellence and the ability to meet the matching requirements. The criteria for judging the three-year grants will be stringent, requiring basic work measures, detailed long-range plans, and evidence of quality programs and collections.

Applicants for the three-year grants may not receive more than 10 percent of their annual operating revenues and support, excluding any Federal grants. The program will provide a maximum award of $300,000 over a three year period and will limit each year's grant to: $125,000 in the first year; $100,000 in the second, or 80 percent of the first year's award; and $75,000, or 60 percent of the first year's grant in the third year. Funding in the second and third years will depend on the availability of funds and successful performance of the matching requirements.

Special Projects

The request of $1,267,000 for Special Projects in fiscal year 1982 represents an increase of $300,000 over the current year. Special Project grants support exemplary or model projects of a limited duration and assist museums damaged by natural disaster. Funds for special project grants represent only eight percent of the total program request but over half of the number of grants in 1982.

Approximately 400 small museums will receive one-time special project grants to help defray the costs of an independent professional assessment designed to help recipients maintain and improve operations and services.

The Institute will use a simplified application and voucher payment procedure to process grants for institutions that meet the eligiblitiy requirements.

In addition, approximately 50 one-year project grants (with a $35,000 ceiling) will be awarded for model and exemplary projects that stress education and institutional long-range planning and can be duplicated by other museums. The Institute also awards a limited number of emergency grants, with a $25,000-ceiling, to aid museums damaged by a natural disaster.

Program Administration

To administer the Institute's programs, the Department has been authorized 12 permanent positions. The Department requests no new staff in 1982. All other increases, except for the increase for travel and grant reviewers, are mandatory increases. The $10,000 increase for travel reflects both the increase in travel costs and the increase in the number of site visits to the previous year's grantees. The $33,000 increase for grant reviewers echoes a National Museum Services Board policy of using fixed panels in Washington to review field reader scores, as well as the expected increase in the number of grant applications. The percentage of program site audits has not increased.

The request for the National Museum Services Board is $18,000 less than the current year's appropriation. The decrease reflects the Departments's decision to reduce across-the-board overhead expenses. Board meetings in fiscal year 1982 will generally be reduced from two days to one; space for the board meetings will not be rented; and the request for printing and supplies has also been reduced.

Biography of John Barrett Lyons

NAME:	John Barrett Lyons
POSITION:	Acting Director, Institute of Museum Services
EDUCATION:	University of Maryland, 1968, B.S. American University, 1974, M.P.A.

POSITIONS HELD

1980-Present	Director, Office of Program Budget, Planning and Evaluation, National Center for Education Statistics (on leave)
1979-1980	Assistant Director for Administration and Analysis, Institute of Museum Services
1973-1978	Administrative Officer, National Institutes of Health, National Heart, Lung, and Blood Institute, Division of Blood Diseases and Resources
1972-1973	Staff Assistant to Executive Officer, National Institutes of Health, National Heart and Lung Institute
1970-1972	Budget Analyst, National Institutes of Health, National Heart and Lung Institute
1969-1969	Management Intern, (Area of assignment - Grants Management, Budget Analyst, Management Policy and Review, and Program Planning and Evaluation) - Department of Health, Education, and Welfare, National Institutes of Health, Office of the Director
1968-1968	Administrative Assistant, Food and Drug Administration, Bureau of Biologic Standards
1968-1968	Auditor, Management Analyst, General Accounting Office

INTRODUCTION OF ASSOCIATES

Mr. LYONS. Good morning, Mr. Chairman. I would like to introduce those accompanying me today. On my right, Mr. Dick Hayes, Acting Assistant Secretary for Educational Research and Improvement; to my far right, Mrs. Sally Christensen, Acting Assistant Secretary for Planning and Budget; on my immediate left, Mr. Tom Litkowski, the IMS Program Director; and on my far left, Mr. Mark Todd, the IMS Budget Analyst.

I am pleased to appear before you on the behalf of the Institute of Museum Services and to explain the budget submitted to you in January.

HIGHLIGHTS OF 1982 REQUEST

The Museum Services Act mandates support to "maintain and improve services and activities" of museums. The Institute's fiscal 1982 budget request of $16.9 million represents an increase of $4 million above the current year's appropriation. The 1982 request will fund approximately 935 grants. Of the increase, $3.7 million will be added to $1.1 million in existing program funds for 3-year general operating support grants. The remaining $300,000 increase is requested to expand the number of special project grants.

DESCRIPTION OF THE MUSEUM COMMUNITY

The museum community described by the Museum Services Act is extremely diverse: there are approximately 5,500 eligible museums. In discipline they range from art, history, natural history, and science museum to botanical gardens, aquariums, and zoos. In size, they range from annual operating budgets of less than $1,000 to $45 million.

This year, the Nation's museums will spend over $1 billion to maintain, care for and exhibit their collections, and provide educational programs to the public. In response to this diversity, the National Museum Services Board, which is the policymaking board of the Institute, has developed flexible programs which maximize the impact of its support with a minimum of Federal intrusion.

GENERAL OPERATING SUPPORT PROGRAM

The Institute's grants are designed to support a portion of general museum operating costs, improve management and establish long-range planning methods for more efficient use of limited resources, and provide for the conservation of collections and to assist museums in preserving their collections for future generations.

For fiscal year 1982, the Institute requests $15 million for the general operating supporting program, of which $10.2 million will support 1-year grants and $4.8 million will go for multiyear grants.

The generating operating support program allows museums to determine their own critical operating needs within the Institute's general guidelines and criteria. A museum may use an IMS grant to pay for a variety of operating services.

TWO CATEGORIES OF GENERAL OPERATING SUPPORT

Originally, all museums were eligible for the 1-year general operating support grants. With the assistance of a survey conducted by the National Center for Education Statistics, the Institute identified two major groups in the community: those with incomes under $500,000, representing 93 percent of the institutions eligible for IMS grants, and those with incomes over $500,000, representing only 7 percent of the Nation's museums.

Because of the diversity of these two groups and the competition between them for funds, the Institute proposes to separate operating support programs in fiscal year 1982. Specifically, a 1-year general operating support grant limited to museums with incomes under $500,000 and a multiyear general operating support grant open to museums of all sizes.

With the establishment of a separate category, small- and medium-sized museums will compete with one another rather than with the larger museums which have greater capabilities. The intent of the 3-year grant is to provide stable funding against which institutions can generate increased local support for general operating needs.

SPECIAL PROJECT PROGRAM

The request of $1,267,000 for special projects in fiscal year 1982 represents an increase of $300,000 over the current year's level. Special project grants support exemplary or model projects of a limited duration and assist museums damaged by natural disasters. Funds for special project grants represent only 8 percent of the total program request, but over half of the total number of grants in 1982.

We would be happy to answer any questions you have concerning IMS or its budget request.

BUDGET REVISIONS

Senator McCLURE. Thank you very much. I understand that you are not at liberty to discuss the budget revisions until the 10th of March. Not at liberty or perhaps also not even able to say with precision what they will be. I hope in response to questions you will be able to give us as much information as you can. If we need to, we will have another hearing later, following the budget revision, but we would like to avoid that, if possible.

Would you please provide for the record, the funds which would be required to close down the Institute, if no appropriations were available to continue the grant program after September 30 of this year.

Mr. LYONS. The administrative support funds identified in the fiscal 1981 budget for the Institute are approximately $500,000, but because we're approximately halfway through the fiscal year, I don't believe we would need all of that amount, because we have lost some staff. I think it's fair to say at least 75 percent of those funds probably would be required.

Senator McCLURE. Taking into account the proposed 50-percent reduction in the budgets for the National Endowments for the Arts and Humanities and the likelihood that museum programs will be heavily

impacted by these cuts, what would be the impact on museums throughout the Nation if no funds were available to the Institute?

Mr. LYONS. Well, that's a very difficult question to answer, Senator; however, it is our belief that you will see an increase in competition of private sector dollars that are available, that you will find that there will be a decrease in the cooperation between schools and museums, that there will tend to be a decrease in conservation, maintenance, and secuity in museums and that there probably will be a decrease in local and private support. In addition, I would call to your attention to the present legislation for the Institute which states that the burden of being a national resource should not be borne entirely by those private State and local institutions.

1981 OBLIGATIONS

Senator MCCLURE. How much of the fiscal 1981 appropriation has been obligated to date?

Mr. LYONS. We have awarded approximately two emergency grants for $50,000. Our grant applications for fiscal year 1981 are due to be received by the Institute on March 6. Because they have not been awarded, we have expended no other program funds.

Senator MCCLURE. $100,000 total?

Mr. LYONS. $50,000 for two emergency grants.

Senator MCCLURE. For each of two?

Mr. LYONS. $25,000 each, sir.

Senator MCCLURE. All right.

Mr. LYONS. Aside from our normal operating costs, no other funds have been expended.

Senator MCCLURE. How much of the normal operating costs—do they run evenly month by month?

Mr. LYONS. There tends to be an upswing when we're in the grant review process, but I think one could pro rate them.

Senator MCCLURE. How much has been expended on that to date?

Mr. LYONS. To date, our expenditure for program administration has been, I believe in the neighborhood of $227,000.

MULTIYEAR GENERAL OPERATING SUPPORT GRANTS

Senator MCCLURE. Under the budget request currently before us, you are requesting an increase of $4 million in grants to museums for a total of $16,267,000. $4.8 million is to initiate a program of multiyear general operating support grants. During consideration of the fiscal 1981 budget both the House and Senate specifically denied your request to establish the cornerstone grant program. Other than the fact that you are not using the name "cornerstone," we see no difference between this program and the one proposed last year—even the amount requested is the same.

Why are you again seeking funds for this initiative, which we specifically denied last year?

Mr. LYONS. Senator, after last year's budget review, the IMS staff contacted the appropriate congressional staffs, the private community, and experts in the field. There were three specific areas that the individuals

that we contacted had difficulty with, and these areas have been changed and modified.

Specifically, there was a feeling that small museums were not adequately protected from competition against large museums. In the fiscal year 1982 budget request, the 1 year GOS program is now limited to museums with budgets of under $500,000.

Second, there was concern that there was no matching requirement. In the multiyear program presently before you, we require matching in the first year of 1 to 1, in the second year of 2 to 1, and in the third year of 3 to 1. In addition to that, there is a descending Federal commitment. Specifically, no museum, however large, can receive more than $300,000 total for all 3 years. And in the first year there is a cap of $125,000 or 10 percent of the operating support.

The third consideration that centered around the "cornerstone" program was that our successful 1 year general operating support program should not be cut. In the proposal before you for fiscal year 1982, those 1 year funds have remained essentially stable in terms of the total dollars available.

MATCHING REQUIREMENT

Senator McCLURE. The match required under this program would increase from a 1-to-1 match the first year to a 3-to-1 match in the third year. Must the non-Federal match be met from new or increased contributions?

Mr. LYONS. The new and increased contributions. It's a very hard match.

Senator McCLURE. And what happens if they don't make it—are the grants suspended?

Mr. LYONS. Yes, sir, that is a clear possibility. These grants are reviewed after each year to determine whether or not the commitment on the institution's part has been met.

Senator McCLURE. When you say "reviewed," that would indicate that if they can't make it, you might change your mind?

Mr. LYONS. In the application process they have made a firm commitment to us that they will do a number of things. One of these is that they will meet the matching requirement. If they don't meet that and can't show extenuating circumstances upon the approval of the Board, there is cause to reconsider discontinuing that grant.

Senator McCLURE. And there's also cause for dropping the escalating matching requirement?

Mr. LYONS. Yes, sir.

Senator McCLURE. What is the likelihood that they will meet the escalating match requirement?

Mr. LYONS. Well, we don't have a track record on this particular program, because it hasn't been launched yet. However, in reviewing our 1 year general operating support, we found that a significant percentage of the awardees has been able to use the grants for the 1 year program to lever the local private sector support within their communities, and in some cases, it's been significant. We're very optimistic that this new grant program can provide a significant stimulus to the local institution.

Senator McCLURE. What is your attitude as you start out? Are you likely to have to readjust those and change your mind on the escalating match requirement?

Mr. LYONS. Well, I think——

Senator MCCLURE. You say you're optimistic. Is that just based on something more than hope?

Mr. LYONS. The criteria that we have for the successful applicant in the multiyear program is significant. They must show that they have a 5-year financial plan, a 5-year management plan with specific targets to meet their objectives and goals.

It is an in-depth application and, generally speaking, institutions that can successfully go through that type of review process are well established and have a reasonable track record. It would be unlikely, unless some significant event took place, that they wouldn't be able to continue to do what they have said they would do.

Senator MCCLURE. In the event the money is made available—and I'm not certain that it would be—but in the event it was, I wish you luck. It's very easy to put down a plan that says, "Yes, I'm going to get more money next year, if you will give me some this year," and a little harder to achieve that.

COST OF GRANT READERS

In last year's justification, you had requested $26,000 for grant readers associated with the cornerstone program. This year you are requesting $35,000 for grant readers for the multiyear program. Why has this estimate escalated by 30 percent?

Mr. LYONS. We intend to do a much more thorough review of these grant applications. They will be reviewed by at least three readers. We intend to hold a fixed panel in a secondary review process.

REPEATING AWARDS TO THE SAME INSTITUTION

Senator MCCLURE. More intensive reviews is the reason?

Mr. LYONS. Yes, sir.

Senator MCCLURE. Page 10 of the justification indicates that for fiscal year 1980, about 20 percent of the number of awards were made to institutions which had previously received IMS support. What percentage of the actual funds awarded that year went to museums that had previously been funded by IMS?

Mr. LYONS. I'd like to defer to Mr. Litkowski on that question.

Mr. LITKOWSKI. In that year, approximately the same percentage of grant funds were made available to those institutions.

Senator MCCLURE. So 20 percent of the funds, as well as 20 percent of the grants?

Mr. LITKOWSKI. That's approximately $2 million of the $10 million made that year.

EMERGENCY GRANTS TO MUSEUMS

Senator MCCLURE. What is the source of the authority for the Director to award emergency grants to aid museums damaged by natural disaster?

Mr. LYONS. Senator, it's found in the legislation. The process is as uncumbersome as it needs to be. The institution must submit sufficient documents——

Senator McCLURE. Let's not focus on the process. You say it's found in the legislation. Would you point to where?

Mr. LYONS. Senator, I stand corrected on that. I would like to defer to Mr. Litkowski for more definite information.

Mr. LITKOWSKI. That authority is not in our legislation. It is in our program regulations as adopted through the General Counsel's Office.

Senator McCLURE. In other words, you extrapolate from statutory authority to regulatory authority.

Mr. LITKOWSKI. That's correct. That emergency grants program is designed to continue operation of museums along the same lines as the general operating support category for those museums that have had a natural disaster.

Mr. LYONS. I would like to add to that, Senator. There is a significant role for the National Museum Services Board. The Board, as a group, is involved in the review of these requests—these emergency requests—and it is not without their approval that these awards are made.

Senator McCLURE. Five such grants were awarded in fiscal 1980, I think; is that not correct?

Mr. LYONS. Yes, sir.

Senator McCLURE. Would you please provide for the record a listing of those five grants, to what use the funds were put, and the natural disaster which occasioned the need?

Mr. LYONS. Yes, sir, we will.

[The information follows:]

EMERGENCY GRANTS

In December 1979, IMS awarded an emergency grant of $10,000 to the Bradley Air Museum, Windsor Locks, Conn. The museum experienced approximately $10 million of damage to its collections and facilities in October 1979, as a result of a tornado. Of a collection numbering 61 aircraft, 19 were totally destroyed, and 9 were severely damaged. The admissions building was completely destroyed while the curatorial wing was damaged by window breakage and flooding. In addition, the curatorial wing lost all of its utility connections. The IMS grant aided in the clean-up and repair of the collection and helped the museum to continue its operations during the period of renovation and reconstruction.

In February 1980, the Institute awarded an emergency grant of $10,000 to the museum of the city of Mobile, Ala. In fall 1979, hurricane Frederick damaged the roof and windows of the facility. The collections, such as the 18 Queens of Mobile Mardi Gras costumes, suffered extensive water damage. The IMS grant enable the museum staff to begin applying conservation measures to the costumes and to hire a textile conservator to make specific recommendations for further treatment.

Also, in February 1980, the Institute awarded a $10,000 emergency grant to the Fort Morgan Museum, Baldwin County, Alabama. Hurricane Frederick damaged the roof of the museum facility allowing rain water to fall into the exhibition areas. The grant enabled the museum to apply needed conservation measures to the water damaged collection as well as to reinstall the exhibits.

In June 1980, the Institute awarded a $10,000 emergency grant to the Old Bedford Village Museum in Pennsylvania. In spring 1980, the museum experienced a fire in its crafts building, the museum's main income producing operation. The IMS grant, along with other support, enabled the facility to resume normal operation, thereby generating the revenue needed to continue its programs and services.

In August 1980, the Institute awarded a $25,000 emergency grant to the Los Angeles County Arboreta and Botanic Gardens. In February 1980, a severe windstorm caused extensive damage to the collection. The IMS grant provided the museum with funds to hire the additional labor necessary for the clean-up and conservation operations. The emergency grant also enabled the museum to continue its services and educational programing which had been disrupted by the storm.

FUNDING FOR RENOVATION

Senator McCLURE. Is the Institute specifically authorized to fund construction, repair, or rennovation projects?

Mr. LYONS. Yes, sir.

Senator McCLURE. In response to a question which was submitted for the record during last year's hearing, IMS stated—and I'll quote from the record:

> The revised policy will almost assuredly prohibit the funding of any renovation which adds to the permanent value of the property or appreciably prolongs its intended life.

And you assume that that has been policy and continues to be policy; is that correct?

Mr. LYONS. Yes, sir.

Senator McCLURE. Does this policy apply to emergency grants?

Mr. LYONS. Senator I believe it does, but I would like to research the record on that question.

Senator McCLURE. If you would, do so, please. And provide an answer for the record.

Mr. LYONS. Yes, sir.

[The information follows:]

INSTITUTE OF MUSEUM SERVICES EMERGENCY GRANT PROGRAM

The emergency grant program of the Institute of Museum Services is designed to assist museums which have been damaged by natural disasters. Currently, funds can be provided for three purposes: First, emergency technical assistance to carry out a museum's purpose and programs: second, restoration or reconstruction of facilities or structures damaged by the disaster; and third, maintenance of services disrupted by the disaster.

In the restoration and reconstruction categories, small amounts of IMS grant money are often used toward capital expenditures.

MUSEUM ASSESSMENT AND ACCREDITATION GRANTS

Senator McCLURE. In the current year, IMS is planning to award 417 accreditation and assessment grants totaling $267,000. The fiscal 1982 request is identical. How many of these grants have been awarded to date?

Mr. LYONS. None have been, sir.

Senator McCLURE. Is it true that one-third of this money, or $200 per grant, will go to the American Association of Museums for its role in this program?

Mr. LYONS. Approximately $200 would go to the American Association of Museums for the administration and processing of presite visits and questionnaires as well as developing the final report.

Senator McCLURE. Now, when you say on-site visits, by whom?

Mr. LYONS. I said, processing the presite visit. The on-site visit would be done by experts in the field.

Senator McCLURE. All right. The American Association of Museums is paid nothing for on-site visits?

Mr. LYONS. No, sir.

Senator McCLURE. But preparation for visits?

Mr. LYONS. Administrative costs associated; yes, sir.

Senator McCLURE. Will the consultants who visit the individual museums be employees of the American Association of Museums?

Mr. LYONS. No, sir.

Senator McCLURE. They will be independent?

Mr. LYONS. Yes, sir.

Senator McCLURE. It was alleged in a Washington Post article printed on February 2 of this year that the purpose of this program is to increase your constituency—I suspect you may have seen that article. I am sure you didn't write it—as the museums receiving these grants would not otherwise be eligible for IMS support. And it was alleged in the article that this was being done in order to gain more political clout.

Would you care to comment?

Mr. LYONS. Well, Senator, I don't think it's fair to say the institutions who do participate in an assessment program would not be eligible for IMS support. All museums are eligible for IMS support; however, the assessment program is designed to evaluate programs and operations of institutions, diagnose the strengths and weaknesses of those institutions, and make recommendations for long-range plans and referral to the appropriate State, regional, or national museum service that can best assist them.

Seventy-four percent of musuems that are identifiable are small museums. These are the ones that are more in need of having this type of outside consultation.

Senator McCLURE. You wouldn't otherwise like to comment with respect to that article?

I gather your answer is yes, you have seen the article, yes, you are aware of the article, but you don't agree with it.

Mr. LYONS. I think that's a fair assessment, sir.

Senator McCLURE. I understand that better. If museums were accredited as a result of this grant, would they then be eligible for regular IMS support?

Mr. LYONS. Accreditation is not required for an IMS suporting grant.

Senator McCLURE. I understand that, but is accreditation a channel to more regular IMS support than without it?

Mr. LYONS. It certainly isn't a requirement now. And it's not perceived to be a requirement in the future.

Senator McCLURE. What is the purpose of spending the money for the accreditation?

Mr. LYONS. Tom.

Mr. LITKOWSKI. As it stands right now, the accreditation is in the budget; however, we have not been able to get it through the regulatory process yet, therefore, unless we can, the money will be spent on the museum assessment program.

Senator McCLURE. It may be desirable from your standpoint, but what is it you hope to accomplish by the accreditation process if, in fact, it isn't required for eligibility and doesn't increase the likelihood they will receive regular support?

Mr. LITKOWSKI. It's a type of program that increases the operating efficiency and the management of the museum field in general. It is designed to increase the standards in the field. It is designed to help museums to meet better the increased demand that they face and their

increased operating costs. Accreditation has been proven to assist museums becoming more efficient and providing better services to the public.

Senator McCLURE. I have a number of other questions that I will submit for the record, and other members of the committee may also submit for the record. We may also have some additional questions to submit once we have had the opportunity to review the budget revisions. I am sorry that time is constrained this morning. I would rather spend more time in looking at these issues in some greater detail, rather than simply submitting questions.

But I do appreciate your presence and your testimony this morning. Thank you.

Mr. LYONS. Thank you.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

NATIONAL MUSEUM SERVICES BOARD

Question. $60,000 was appropriated for the National Museum Services Board in fiscal 1980, but page 5 of the justification shows that only $16,000 was spent for the Board. What was the rest of the money used for?

Answer. In 1980, funds for Program Administration and the National Museum Services Board were not appropriated separately as they were in fiscal year 1981. When separate accounts were established in 1980, about $14,000 in Board expenditures were already logged against the Program Administration activity. Thus in total the Board spent $30,000. The remaining $30,000 for the Board lapsed.

Question. Was a reprograming submitted to Congress?

Answer. No; because the two accounts were not specified separately in the appropriation, a reprograming was not necessary.

Question. The 1982 justification was the first indication we had of this discrepancy. Why did the Board require $72,000 for fiscal 1981 when they spent less than one-third of that amount in fiscal 1980?

Answer. There are three reasons for this: first the Board was missing one-third of its membership in 1980; second, two members of the Board refused any compensation for their travel or payment for services, and third, the Board met only three times in fiscal year 1980.

Question. Board travel increased by over 500 percent from fiscal 1980 to the 1981 estimate. Why is this?

Answer. This resulted from three factors: lapsed membership, Board members who refused compensation, and the reduced number of Board meetings in 1980.

BUDGET ALTERNATIVES

Question. If your budget were held to the current level, would you seek support for the 3 year grant program or continue to operate only with the 1 year grants and special projects?

Answer. With current level funding, the Institute of Museum Services would continue to operate the general operating support programs and the special projects program. The multiyear grants program would not be initiated in fiscal year 1982 under level funding.

Question. At the current rate of operation, would you seek to reduce the number of grants next year in order to increase the average size of the grant or continue awarding approximately the same number of grants?

Answer. The Institute would continue to award approximately the same number of grants in fiscal year 1982. Because of changes in the maximum allowable grant adopted for fiscal year 1982, IMS believes that lowering the grant amount or the number of grants would neither be cost effective nor beneficial to museum field.

Question. If the pending budget request were reduced by 50 percent, what would be your program priorities?

Answer. The program priorities would be the general operating support program and the musuem assessment program. The multiyear grants program and other special project grants would be eliminated.

Question. With a reduction of 50 percent, could you manage with fewer staff than are now on board?

Answer. No: already the Institute is operating at 60 percent of its authorized personnel ceiling. Perhaps it could operate with one position less than is now currently authorized, but for the grants program to remain credible and properly accountable, the staff of the Institute must have at least nine permanent employees. The number of permanent positions now on board could not be reduced if the grants were reduced and the number of awards remained the same.

Question. Would eligibility criteria be tightened with a significant budget reduction in order to reduce the number of applications you would have to thoroughly review?

Answer. The Institute has extremely tight evaluation criteria for grant applications in place. We believe that with a significant budget reduction, the museum field's perception of increased competition for scarcer funds would lead to a substantial reduction in the number of applications made.

TERMINATION OF THE INSTITUTE

Question. Would you please provide for the record the funds which would be required to close down the Institute if no appropriations were available to continue the grant programs after September 30 of this year?

Answer. The Institute would require $220,000 for program administration activities to enable the staff to phase out the program in fiscal year 1982. This amount would support seven full-time positions. Five positions would be responsible for processing outstanding awards and monitoring completed awards. The other two positions would perform administrative support functions. In addition, the phase out process would require no funds for the National Museum Services Board.

Question. Taking into account the proposed 50 percent reduction in the budgets for the National Endowments for the Arts and the Humanities and the likelihood that museum programs will be heavily impacted by these cuts, what would be the impact on museums throughout the Nation if no funds were available to the Institute?

Answer. The total operating budget for the 4,600 museums in the United States amount to about $1 billion. In 1980 grants from the Institute totaling $10,399,000 reached about 7.5 percent of the Nation's museums. In terms of the total budget for all museums in the United States, IMS funding accounted for about 1 percent of that total.

INDIAN EDUCATION

STATEMENT OF JOHN H. RODRIGUEZ, ACTING ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION

ACCOMPANIED BY:

JUDY BAKER, ACTING ASSOCIATE DEPUTY ASSISTANT SECRETARY, OFFICE OF INDIAN EDUCATION

LOUIS J. McGUINNESS, ACTING SPECIAL ASSISTANT, OFFICE OF INDIAN EDUCATION

FRANK ROBINSON, ACTING EXECUTIVE OFFICER, OFFICE OF INDIAN EDUCATION

PATSY MATHEWS, ACTING PLANNING OFFICER, OFFICE OF INDIAN EDUCATION

SALLY H. CHRISTENSEN, ACTING ASSISTANT SECRETARY FOR PLANNING AND BUDGET

BUDGET REQUEST

Senator McCLURE. We now turn to the Office of Indian Education. The budget request for Indian education totals $101,816,000, an increase of $20,136,000 over appropriations to date. As with Museum Services, we will examine the impact of various funding levels on the programs administered by the Office of Indian Education so that additional hearings will not be necessary when the budget revisions are submitted to the Congress.

Hopefully, you are able to give enough information, or we will be able to elicit enough, that we will not have to ask you to come back, after the budget revision, for further testimony.

PREPARED STATEMENT

Dr. Rodriguez, will you please introduce your associates and highlight your opening statement. The full statement will be included in the record.

[The statement follows:]

STATEMENT OF JOHN H. RODRIGUEZ

Thank you for the opportunity to appear before the Committee today to present the fiscal year 1982 budget for Indian Education. This budget will advance the education of American Indian and Alaskan Natives who are among the most needy segments of our population.

In support of this purpose, we follow a three-point strategy: providing supplemental educational services to Indian children in public and tribal schools; improving the quality of services provided under the Act; and providing basic skills and professional training for adults. An underlying objective of all of these programs is promoting Indian self-determination and self-sufficiency. Our budget request totals $101,816,000, an increase of 24 percent above the 1981 appropriation. The increase will primarily expand the supplemental programs that affect public and tribal schools, where more than 80 percent of Indian children are enrolled.

This budget supports programs that involve virtually every segment of the Indian population--young children, junior and senior high school students, parents, college students, and adults. Our programs reach children through supplemental programs in public schools and through special activities administered by their tribes or Indian community organizations. They reach college students through grants to universities and through fellowships that are awarded directly to the students; and they reach adult learners through special community- and home-based adult education programs.

The budget request can be examined under Parts A, B, C, and D of the Indian Education Act.

Part A

Under Part A, we are requesting $74,000,000, an increase of $15,750,000 above the 1981 level. This will result in an increase of about $13,000 in the average award for formula grants to local educational agencies, thereby increasing the average per pupil expenditure for supplementary services from $165 to $213. These awards provide supplemental educational services for Indian students to improve academic performance and reduce dropout rates, with special emphasis on basic skills. Grants will be made to an estimated 1,130 public schools and districts that enroll approximately 316,000 Indian children, and to 50 tribal schools that enroll some 10,000 students. Of the total $74,000,000 for Part A, $69,270,000 is reserved for the formula program and $4,730,000 will support discretionary awards to Indian-controlled schools at the same level as 1981.

Part B

Under Part B, $19,000,000 is requested for fiscal year 1982, an increase of $4,500,000 above the 1981 level. Under Part B, developmental and demonstration projects are funded to develop more effective approaches to Indian education, to train Indian education personnel and to assist Indian students pursue postsecondary education. We are requesting $1,000,000 for a new program for State educational agencies to increase efficiency and coordination of Federal, State and local programs for Indians; an increase of $500,000 for educational personnel training to meet the demand for more Indian teachers, administrators and other professionals; and an increase of $500,000 for educational service projects to serve more students and offset rising educational costs.

We have also requested an increase of $2,500,000 over 1981 for five Resource and Evaluation Centers which provide technical assistance, conduct evaluations, and disseminate information to Indian education projects and applicants, thereby improving the quality of Indian education projects nationwide. These Centers

were established in fiscal year 1981 with $2 million of fiscal year 1980 funds which became available in September 1980 and $500,000 of fiscal year 1981 funds. The increase of $2,500,000 will allow the Centers to serve additional school districts and to continue the full scope of services now provided. Our request of $3,000,000 will increase the funding for each of the five centers by $100,000, from $500,000 to $600,000, in their second year of operations. The increment of $2,500,000 results from the shift, in fiscal year 1981, from forward funding to current funding.

Part C

Under Part C, $5,900,000 is requested to support special projects for Indian adults--an increase of $470,000 above fiscal year 1981 to offset rising costs. Funds will be used to continue current demonstration and education service projects for 9,000 Indian adults.

Part D

Under Part D, $2,916,000 is requested for program administration and planning and evaluation studies of the Office of Indian Education and its programs as well as the operation of the National Advisory Council on Indian Education. This amount reflects a reduction of funds for evaluation studies. The total number of permanent positions requested to administer programs in the Office of Indian Education is 61--the same level as in fiscal year 1981.

I am pleased to present this budget to you today. We in the Department of Education believe that the Indian Education Act programs have made substantial progress in improving education and advancing Indian self-determination. My colleagues and I will be glad to answer any questions that you may have on this request.

Biography of John H. Rodriguez

NAME : John H. Rodriguez

POSITION : Acting Assistant Secretary for Elementary and Secondary Education

BIRTHPLACE AND DATE : San Diego, California, November 28, 1926

EDUCATION : San Diego State College, 1953, B.A.
Claremont Graduate School, 1959, M.A.
Claremont Graduate School, 1973, Ph.D.

EXPERIENCE :

PRESENT	:	Acting Assistant Secretary for Elementary and Secondary Education
1974-1930	:	Associate Commissioner for Compensatory Educational Programs
1972-1974	:	Associate Deputy Commissioner for School Systems
1970-1972	:	Superintendent, Upland School District, Upland, California
1970-1970	:	Assistant Director, Administrator Preparation Program, Claremont Graduate School, Claremont, California
1969-1969	:	Superintendent, Perris School District, Perris, California
1955-1969	:	Principal, Rialto Unified School District, Rialto, California
1952-1955	:	Teacher, Rialto School District, Rialto, California
1951-1952	:	Teacher, Apple Valley School District, Apple Valley, California

ASSOCIATION MEMBERSHIP : American Association of School Administrators

INTRODUCTION OF ASSOCIATES

Dr. RODRIGUEZ. Thank you, Mr. Chairman. I would be glad to do that.

On my far right, you have already met Ms. Christensen. Next to her is Ms. Patsy Mathews, who is acting Planning Officer in the Office of Indian Education. To my immediate left is Ms. Judy Baker, who is acting Associate Deputy Assistant Secretary in the Office of Indian Education. To her left is Mr. Frank Robinson, who is the acting Executive Officer of that organization, and assisting with the charts is Mr. Lou McGuinness, who is the acting Special Assistant in the Office of Indian Education.

STATEMENT HIGHLIGHTS

I would be happy to highlight the statement for you at this time. As you have already indicated, the budget request is for $101,816,000, an increase over the 1981 appropriation of $20 million.

The strategy underlying this budget is threefold: first, it provides supplemental educational services to Indian children in public and private schools; second, it provides resources to improve the quality of services; and third, it provides additional resources for basic skills and professional training for adults.

Under part A, the budget request is $74 million, an increase of $15,750,000 over 1981. This will allow for an increased average per-pupil expenditure from $165 in 1981 to $213 for supplemental educational services to American Indian and Alaska Native children in public and tribal elementary and secondary schools. Of this, $69.2 million will allow for 1,130 grants to be made under the entitlement program, serving 316,000 children in public schools and 50 grants to tribal schools that enroll some 10,000 students Additionally, 29 Indian-controlled schools serving 5,100 Indian youngsters will receive support under the discretionary grants program. The funds provided under part A are intended to increase academic performance, reduce dropout rates, and enhance culturally relevant academic programs.

The part B request of $19 million is an increase of $4½ million. This increase includes $1 million for a new program for State educational agencies for the coordination of Federal, State, and local programs for Indians. The educational personnel component in this part is an increase of $500,000 over the 1981 level, as is the educational services component of part B.

However, the largest part of the increase is $2½ million for the five Resource and Evaluation Centers established this year. As you may recall, these centers were funded this year with $2 million of 1980 funds and $500,000 of 1981 funds. An increase of $500,000 will provide a total of $3 million for the five centers. But the $2½ million increment results from the shift in 1981 from forward funding to current funding.

Under part C, $5.9 million is requested to support special projects for Indian adults. The increase of $470,000 is to offset rising costs. Funds in this category serve approximately 9,000 Indian adults.

Under part D, $2,916,000 is requested for program administration, planning, and evaluation, and funding for the National Advisory Council on Indian Education at about the same level as in 1981. This request

is $686,000 less than in 1981 because of the decrease in planning and evaluation activities.

Mr. Chairman, my colleagues and I would be glad to answer any questions that you may have on this request.

Thank you.

EVALUATION STUDY

Senator McCLURE. Thank you. Last year, the Congress denied most of the requested 42 percent increase in part A grants, pending the completion of the evaluation of the effectiveness of this program. The first part of the study has been completed—the study on the implementation of the act.

When will the entire study be completed?

Dr. RODRIGUEZ. As you indicated, the first part of the study, that of the process evaluation, has been completed. The impact part of the study is scheduled for completion at the end of the summer of 1982.

Senator McCLURE. It will be another 18 months, approximately?

Dr. RODRIGUEZ. Yes, sir; approximately.

Senator McCLURE. Is there any reason why it's taking that long?

Dr. RODRIGUEZ. Would you care to answer that?

Ms. MATHEWS. Mr. Chairman, the evaluation for which you appropriated $1 million last year just began in the fall. This year the evaluators are spending most of their time designing the study and surveying all the projects to see the kinds of activities that are going on.

Senator McCLURE. How long does it take to design the study, and how many people does it take to design the study? And how much of the million dollars will it take to design the study?

Ms. MATHEWS. The million dollars won't be spent until next year. That will be for the actual impact study itself. This year, about $350,000 is being spent out of 1980 money for the initial planning stages of the study.

PART A FUNDING

Senator McCLURE. The requested increase of $15 million for part A would increase the average award per student to $213, an increase of almost 30 percent. Do you have some idea of what the target per-student award should be? Are you striving toward a specific goal?

Dr. RODRIGUEZ. Well, I don't know of any data that is available that indicates the need. Of course, the need is always compounded by the increased costs that are experienced by schools, which tend to be greater than the national economy in a percentage way.

The need continues to be experienced by all the school districts that apply for these funds. I don't know if any of my other staff has an indication of what the need would be or not.

Ms. CHRISTENSEN. Mr. Chairman, it might be important or helpful for you to know as a guideline that the title I per-pupil expenditure from Federal funds is over $500, and approaching $600 in the Carter budget; so that the $213 is still quite a bit below that.

Senator McCLURE. Well, is it your thought that these funds should be measured in the same way that title I is measured?

Ms. CHRISTENSEN. Well, it's one way of looking at it.

Senator McCLURE. Well, aren't these students also eligible for title I?

Dr. RODRIGUEZ. In many cases, but not universally.

Senator McCLURE. But that would mean they're getting $500-odd targeted in title I plus whatever is being targeted here.

Dr. RODRIGUEZ. That's possible, but in some instances the school districts take the title I funds that are available to them, target those on educationally disadvantaged children who may not be Indian, and then use the moneys available under part A for Indian youngsters.

Senator McCLURE. Well, as long as we'll permit them to do that, I am sure they will. I have been around school district officials long enough to know that if they can get away with it, they will do it.

Dr. RODRIGUEZ. To the extent that can be controlled, yes. The need, of course, in title I, has not always been met, so you have a greater need in the total population than the funds will provide for.

Senator McCLURE. I think that may well be true, but certainly, if it is true, then at least to the extent that these students are eligible under this program and also under title I, title I would be no measure at all of the amount which ought to be granted here?

Dr. RODRIGUEZ. Of course, Mr. Chairman, the kinds of needs are different. In title I we're talking about educationally disadvantaged youngsters, and typically that is defined as those youngsters who are functioning below grade level by most States.

In the case of Indian youngsters, we're talking about all academic needs that they may have. Not necessarily are they required to be functioning below grade level before we will address their educational needs. So we are providing services—counseling services, which oftentimes do not occur in title I. We are providing——

Senator McCLURE. Providing services even to those students doing above-average work?

Dr. RODRIGUEZ. In some cases, yes, sir. That depends on their educational need.

Senator McCLURE. How do you justify that, since the whole program is based upon the fact that they have special needs that do not permit them to function normally within the school district?

Dr. RODRIGUEZ. Those needs are prioritized by many school districts, and, of course, the ones that are the neediest receive assistance first; however, in many cases, funds could be used by the school district to address the needs of capable youngsters who would not have the opportunities if those funds were not provided for special projects for them.

Senator McCLURE. If you're suggesting to me that school districts aren't going to be able to spend the money that's given to them——

Dr. RODRIGUEZ. I'm sorry. I would not want to leave that impression.

Senator McCLURE. Well, no. I wouldn't think so.

What is the range in the amount of the grants awarded under part A?

Dr. RODRIGUEZ. The range, I think, is from about $2,000 to almost $1 million, depending on the number of youngsters in that school district.

Senator McCLURE. And what would be the range per student?

Dr. RODRIGUEZ. I don't have that.

Senator McCLURE. If you don't have it readily available, could you provide it for the record?

Dr. RODRIGUEZ. Yes, sir. I'd be glad to.
[The information follows:]

RANGE OF PER STUDENT EXPENDITURES IN PART A GRANTS

The smallest part A per student allocation is $90, for the State of Arkansas. The largest, for Alaska, is $289.

NUMBER OF INDIAN CHILDREN ENROLLED

Senator MCCLURE. Your justification states that approximately 400,000 Indian children are enrolled in public schools. The Bureau of Indian Affairs states that less than 180,000 Indian children attend public schools. Can you explain the discrepancy?

Dr. RODRIGUEZ. Ms. Baker would like to respond.

Ms. BAKER. The difference is because of the difference in the definition the two agencies use.

The Bureau of Indian Affairs only recognizes as Indians those children of federally recognized tribes that are members themselves.

Senator MCCLURE. Each tribe establishes the criteria by which they may be recognized as tribal members?

Ms. BAKER. No; a federally recognized tribe is a tribe that is recognized by the U.S. Government, usually, under the auspices of the 1934 Indian Reorganization Act. These are the tribes that are eligible for services from the Bureau of Indian Affairs.

Senator MCCLURE. Isn't it a fact that you apply a different test for tribal affiliation than the tribes themselves do?

Ms. BAKER. The Bureau sometimes, as a uniform criterion, applies the criterion of one-quarter blood or more to be recognized as an Indian for services from the Bureau of Indian Affairs.

Senator MCCLURE. The Bureau of Indian Affairs accepts the tribal roll as certified by the tribe, where there's a recognized tribe. The degree quantum will vary according to the size or rules of the tribes themselves; is that not correct?

Ms. BAKER. Yes; the Bureau recognizes the tribe's right to set its own membership criteria.

Senator MCCLURE. And what you're saying is you don't feel bound by that?

Ms. BAKER. Our statute does not bind us by that. Our statute has a different definition.

Senator MCCLURE. What is the definition in the statute?

Ms. BAKER. The definition of "Indian" in our statute includes a person who is a member of an Indian tribe, or who is descended in the first or second degree from a member. They may be a member of a State—or nonfederally—recognized tribe, a terminated tribe, or a federally recognized tribe. The child himself or the parent or the grandparent may have been the member.

Senator MCCLURE. But no further than that?

Ms. BAKER. No further than that. So our area of service is a great deal larger than the service area of the Bureau of Indian Affairs.

Senator MCCLURE. If a tribe recognizes somebody with one-sixteenth blood as a member of the tribe, you could recognize somebody of one-sixty-fourth blood?

Ms. BAKER. That's correct.

Senator MCCLURE. And you're in no case going beyond that.

Ms. BAKER. We have stressed to all of the applicants the criteria of our statute—the definition of "Indian" as defined in our law, and wherever possible, if they are counting children beyond the normal descendancy, we have informed school districts they are not allowed to count them.

Senator MCCLURE. Are you satisfied that school districts are not?

Ms. BAKER. It's an impossibility for our office to really check any one of them. I think school districts in the past year have made a very concerted effort to count only those children who are eligible.

Senator MCCLURE. Is there a penalty, other than a loss of funds, if as a matter of fact they count some that are not eligible?

Ms. BAKER. No, sir.

Senator MCCLURE. So, "catch me if they can; if you don't catch me, I get more money."

Ms. BAKER. Yes, sir.

Senator MCCLURE. That's a great system. I have great faith in the integrity of our educational system, but also in their capacity to change the statistics for their own financial gain.

CONCENTRATION OF INDIAN STUDENTS

Your justification states that 70 percent of the funds go to districts with significant concentrations of Indians, that is, districts with more than 25 percent Indian enrollment or with more than 500 Indians. Did I state that correctly?

Ms. BAKER. Yes.

Senator MCCLURE. Five hundred students in school districts the size of Chicago, New York, or Boston is hardly a high concentration. How many districts are funded which have less than 10 percent Indian enrollment?

Ms. MATHEWS. We could provide that for you for the record.

Senator MCCLURE. If you would, please.

Ms. MATHEWS. Less than 10 percent?

Senator MCCLURE. Less than 10 percent. And if you would also provide for the record the percentage of funds that go to schools with less than 10 percent Indian enrollment.

[The information follows:]

SCHOOL DISTRICTS HAVING LESS THAN 10 PERCENT INDIAN ENROLLMENT THAT RECEIVE PART A GRANTS

Number of districts, 553; percent of total, 49; part A funds involved, $19,445,598; percent of total, 41; number of Indian students enrolled, 130,802; percent of total, 40.

Range of Indian student enrollment, 7 to 3,706; and average number of Indian students per district, 237.

INDIAN PROJECTS IN INDIANA

Senator MCCLURE. The State-by-State breakdown on page 16 of the justification shows that you are supporting two projects in Indiana at a total cost of just over $8,000. At approximately $4,000 each, it would seem that administrative costs would use up the entire grant. What is our money buying in Indiana?

Ms. MATHEWS. I don't know at this time. I don't think any of us at this time knows exactly what is being spent in those two projects in Indiana. The likelihood is the money goes for staff to work with the Indian children, for a part-time guidance counselor or a home-school coordinator. We could find out.

Senator MCCLURE. Would you provide that for the record, please?

Ms. MATHEWS. Yes.

Senator MCCLURE. And if you could also indicate what the direct expenditure of money is in those two grants.

Ms. MATHEWS. Fine.

Senator MCCLURE. Would you also estimate the administrative overhead in your office on those two grants.

[The information follows:]

BUDGET DETAIL FOR TWO PART A PROJECTS IN INDIANA

The South Bend Community School Corporation in South Bend, Ind., received $4,858 in fiscal year 1980. With it, it provides both a cultural enrichment program and a tutorial program for 41 Indian students from kindergarten through grade 9. Two evenings a week, a supervisor, two aides, and volunteer college students provide one-to-one tutorial services. In addition, the Part A Parent Committee and the tutorial supervisor are jointly organizing two field trips to places having cultural significance for native groups of the Indiana area, particularly members of the Miami Tribe.

The Board of School Commissioners of the Indianapolis Public Schools received $3,436 for the establishment of a home-school liaison program, involving 30 Indian students from kindergarten through grade 12. Through this program the home school coordinator: (1) visits parents to teach them how to help their own children with reading: (2) compiled a booklet called "American Indian Heritage in the Indianapolis Public Schools," to be given to each Indian child: and (3) takes Indian children on field trips to the Indianapolis Indian Museum and the Indianapolis Children's Museum.

The budgets for the two projects are listed below:

Object class categories	South Bend Community School Corporation	Board of School Commissioners, Indianapolis Public Schools
Personnel	$3,104.25	$2,430.00
Fringe benefits	334.15	149.00
Travel	500.00	216.00
Supplies	255.60	
Printing		283.00
Other	500.00	250.00
Total, direct costs	4,694.000	3,328.00
Indirect costs	164.00	108.00
Total	4.858.00	3.436.00

ESTIMATE OF ADMINISTRATIVE OVERHEAD RELATING TO TWO INDIANA GRANTS

The overhead in the Office of Indian Education associated with administering these two grants is negligible. The funds going to the State of Indiana amount to 0.01 percent of all grant moneys awarded by the Office of Indian Education. If it is assumed that a similar percentage of effort is required from OIE program administration budget, then it costs $247 to administer the two Indian grants However, the elimination of these two grants would not automatically result in a savings of $247.

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DROPOUT RATES

Senator McCLURE. The dropout rate and attendance record for Indian students as a whole is a matter for concern. Have you any breakdown of these rates correlated to the concentration of Indian children in the school districts?

Ms. MATHEWS. For Indian children?

Senator McCLURE. Yes; not just the dropout rate as a bare statistic, but correlated to their concentration in school districts and with a comparison with other minorities in the same school district.

Ms. MATHEWS. I don't know where that information would be available. The information that we have is national. We know the national dropout rate. That comes from the Civil Rights Commission.

Senator McCLURE. You don't have any of that information with respect to districts, when they ask for grants?

Ms. MATHEWS. Some school districts that apply for money from us tell us in their applications what their dropout rate is in general, and then what the Indian dropout rate is.

Senator McCLURE. Could you provide for the record the information that you have.

Ms. MATHEWS. Examples? Is that what you would like?

Senator McCLURE. Yes.

Ms. MATHEWS. Certainly.

Senator McCLURE. More than examples; if you have more than examples. If all you have are examples, let us look at that, if you would, please.

Ms. MATHEWS. All right.

[The information follows:]

INDIAN DROPOUT RATES

This information is not presently available in the format requested. However, two reports were obtained that provide useful information relative to Indian dropout rates.

In an Office for Civil Rights report for school year 1975–76, the most recent year that dropout data were collected, 13,089 American Indians dropped out of school. This represented 1.6 percent of the total 822,782 dropouts in that school year.

The Indian dropout rate is disproportionately higher than their representation (1 percent) of the total public school enrollment for the Nation. Similarly, there were 2,825,617 graduates in 1975–76, of which 16,088 or 0.6 percent were American Indian.[1]

However, this data may underestimate the number of Indian dropouts because many of these students attend reservation schools that were not included in the survey. More importantly, school nonattendance measures may more accurately estimate Indian dropouts since they include all Indian students, including those who never attended school.

A U.S. Commission on Civil Rights report indicated that Indian students have the highest nonattendance rate of any minority group in school year 1976. According to this report, high school nonattendance rates for Indian males were 1.8 times greater than the rate for majority males.[2]

BUDGET REDUCTIONS

Senator McCLURE. If the budget request for part A were reduced by 50 percent, would all grants be ratably reduced, or would you seek to target the funds to those districts of greatest need?

[1] This OCR survey was administered to all districts in the country and the findings were presented in a report, "Fall 1976 Elementary and Secondary Schools Civil Rights Survey: Final File Documentation."

[2] U.S. Commission on Civil Rights, "Social Indicators of Equality for Minorities and Women," 1978.

Dr. RODRIGUEZ. Well, part of the entitlement program, of course, would be ratably reduced, and then there would be a percentage of those funds that would be set aside for the Indian-controlled schools.

Senator MCCLURE. So you would ratably reduce the major part of it?

Dr. RODRIGUEZ. I believe that's what the statute calls for.

Senator MCCLURE. From your perspective as a program administrator, which is the better way for us to go if the funds were reduced by as much as 50 percent? I take that figure because I don't know what's coming up on March 10, and I'm groping. Would you rather see it ratably reduced, or would you rather have the flexibility to target available funds in the most critically needed areas?

Dr. RODRIGUEZ. I would imagine that that would be a desirable thing, to have the flexibility to target the funds; however, I think it would also require some statutory changes in order to do that.

Senator MCCLURE. I understand that. I am really asking you if that's what you want. Would you suggest that statutory change? Is that something that is sufficiently significant to justify a change in the statute?

Dr. RODRIGUEZ. I would think so. It would be my impression as an administrator that that would be so.

Senator MCCLURE. If we have that kind of reduction, would you continue to support the Indian-controlled schools which already receive Federal funds through the BIA?

Dr. RODRIGUEZ. I think I'd like to study that question to determine what kind of impact that would have on the operations of some of those schools. It would depend heavily on this funding.

Senator MCCLURE. Do you have any idea when you might be able to give us the result of that deliberation?

Dr. RODRIGUEZ. If I understand the question correctly, you're speaking in reference to a proposal for reducing the funds significantly in that budget category.

Senator MCCLURE. If, as a matter of fact, that's what the recommendation is, and that's what the budgetary result should be.

Dr. RODRIGUEZ. We will be glad to include that as we respond to any budget proposals.

Senator MCCLURE. Thank you. Within the proposed block grant approach to elementary and secondary education programs, has any consideration been given to including Indian education funds as a part of the block grant?

Dr. RODRIGUEZ. I don't have any information on that, Mr. Chairman.

Ms. CHRISTENSEN. Mr. Chairman, Indian education has been deliberately omitted from all of the block grant proposals. This was never considered.

Senator MCCLURE. So they're considered separately?

Ms. CHRISTENSEN. They are separate, yes.

Senator MCCLURE. Can you share with me the information as to how the Johnson-O'Malley funds would be treated?

Ms. CHRISTENSEN. I don't have any information on programs in the Department of the Interior.

Senator MCCLURE. I thought maybe you did.

Ms. CHRISTENSEN. They're not included in the education block grants, I can say that.

Senator McCLURE. Johnson-O'Malley is not?

Ms. CHRISTENSEN. The Johnson-O'Malley program is not included in our block grants. I don't know what the Interior Department might be doing on their own.

INDIAN-CONTROLLED SCHOOLS

Senator McCLURE. You are proposing to spend $4,730,000 for the Indian-controlled schools' program to support programs for 5,100 children. This comes out to an average of almost $930 per student. Why are these per capita expenditures four times the amount spent on Indian children in public schools?

Dr. RODRIGUEZ. In most cases, these programs are not limited to supplemental funds, but are included in the operation of the schools. Some of these Indian-controlled schools are just getting started as a school, and are in greater need of resources.

Would you like to add to that, please, Ms. Baker?

Ms. BAKER. For the most part, these schools are not eligible first, for any State moneys or second, for title I moneys. So the money that is provided out of the Office of Indian Education is often the basic money for that school.

And even where they receive what we call 638 moneys from the Bureau of Indian Affairs under the Self-Determination Act, the per-pupil expenditure in total is usually less than in public schools, considering all sources of funding into that school.

Senator McCLURE. Could you provide for the record the per capita student support in Indian-controlled schools by State as compared to the expenditures per capita in the public schools within the same State.

[The information follows:]

PER CAPITA SUPPORT UNDER THE INDIAN-CONTROLLED SCHOOLS PROGRAM COMPARED TO AVERAGE STATE PER PUPIL EXPENDITURE IN PUBLIC SCHOOLS

State	Indian-controlled schools program [1]	State average in public schools [2]
Arizona	$524	$1,555
Florida	523	1,444
Idaho	1,580	1,310
Minnesota	2,158	1,893
Montana	955	1,876
Nevada	2,131	1,586
New Mexico	592	1,489
North Dakota	835	1,518
South Dakota	582	1,374
Washington	1,209	1,901
Wisconsin	689	1,938
Wyoming	1,034	1,866

[1] Data are for school year 1980–81.
[2] Data are for school year 1977–78.

PER CAPITA SPENDING

Senator McCLURE. Well, the per capita expenditures in the Indian-controlled schools just from your support program is $930 per student, and you're suggesting that there are other funds that come from BIA directly to the same schools.

Ms. BAKER. To some of them; not all of them.

Senator McCLURE. To some of them?

Ms. BAKER. Yes.

Senator McCLURE. And you had indicated, Dr. Rodriguez, that in some instances this is the sole source of funding for such schools.

Dr. RODRIGUEZ. Yes, sir.

Ms. BAKER. Yes, sir.

Senator McCLURE. So there would be some variation from school to school.

GRANTS TO STATES PROPOSAL

Under part B, you are again requesting that the Appropriations Committee authorize a program of grants to the States at a cost of $1 million. We denied this request last year.

Why are you still requesting the authorization from this committee, rather than through the normal process?

Dr. RODRIGUEZ. Apparently, those who prepared this budget believed that this activity could serve a useful purpose and wanted to make another attempt at it. That's the best I can answer, Mr. Chairman.

Senator McCLURE. The ordinary process would be to go somewhere else first. You came here last year and we said no.

Dr. RODRIGUEZ. I think typically the opposite way, rather than seek an amendment to the existing statute, we would wait until the statute was reauthorized. But hopefully there was some indication there would be funds available through the appropriations that would be persuasive to have an amendment.

Senator McCLURE. Wouldn't the planning, pilot and demonstration projects funded under part B more appropriately be the responsibility of the National Institute of Education?

Dr. RODRIGUEZ. No; I don't think that's necessarily the case. The evaluation activity of most of the Department of Education's programs has not been an activity conducted by the National Institute of Education, but rather by the planning and evaluation components of the Department.

Senator McCLURE. I might just say to Senator Burdick that I am going to have to leave to go down to the White House. I have a number of questions which I can submit for the record. I'll leave you the gavel and the responsibility.

And let me say as I leave, thank you very much for your testimony.

Dr. RODRIGUEZ. Thank you, Mr. Chairman.

Senator McCLURE. I am advised that the National Advisory Council on Indian Education is present and has requested the opportunity to submit testimony. Their testimony and the remarks will be received for the record.

RESEARCH ON INDIAN EDUCATION

Senator BURDICK [presiding]. Does NIE do any work on Indian education?

Ms. MATHEWS. I don't know specifically. There's very little research being done by NIE in Indian education. I think there are some under the minorities and women program.

I know they had a conference sponsored within the past couple of years for Indian women. That's the only thing I know specifically. I know there are one or two research grants that are being conducted.

[The information follows:]

INDIAN EDUCATION RESEARCH SUPPORTED BY THE NATIONAL INSTITUTE OF EDUCATION

NIE supports approximately 15 projects that are either exclusively or partially concerned with Indians. Most of these studies are concerned with linguistics or bilingual education. One project is studying Public Law 95-561, title XI, part A (impact aid) to ascertain both the extent to which the legislation was designed to increase the educational opportunities of Indian children and the degree to which the implementation of the law is achieving the desired results. Another project will sponsor, in April 1981, a conference to address the issue of increasing Indian participation in educational research and development.

ALTERNATIVE AND SURVIVAL SCHOOLS

Senator BURDICK. Through the educational services projects, OIE funds alternative or survival schools. Are these schools accredited by the States in which they are located?

Ms. BAKER. Yes; Senator Burdick, in some cases. Specifically, the Rocky Boys School. Of course, the Rocky Boys School started as an alternative school, and went through and received State accreditation. Many of the schools have not chosen to proceed with that particular avenue of receiving accreditation to become an LEA—which is what I assume you mean by "accreditation"—because they are located on a reservation themselves, and the tribe controls, of course, the educational system on the reservation.

Senator BURDICK. In other words, the answer is they are not accredited by States by and large.

Ms. BAKER. By and large, no.

[The information follows:]

ACCREDITATION STATUS OF SURVIVAL SCHOOLS SUPPORTED UNDER PART B

Three of the survival schools funded by OIE are located in Minnesota. The State of Minnesota does not accredit any nonpublic schools in the State. Rather, it is the local public school superintendents who have the authority to sanction the operation of nonpublic schools within their districts.

The Red School House, in St. Paul, is sanctioned as an "alternative nonpublic school." The local school superintendent acknowledges the validity of the diplomas issued by the Red School House and the University of Minnesota accepts the diplomas of Red School House graduates. The State of Minnesota funds a bilingual-bicultural project at the school.

The Heart of the Earth Survival School, in Minneapolis, has a cooperative agreement with the public school district, whereby courses offered at the school are cross-referenced with courses offered by the school district. High school graduates from Heart of the Earth are eligible to receive diplomas from the school district. College and universities accept Heart of the Earth diplomas.

The Circle of Life Survival School, in White Earth, has petitioned for accreditation by the Minnesota Non-Public School Accreditation Association. Credits earned by stu-

dents at the school are recognized and accepted for transfer by public schools in the area, and graduates have had their diplomas accepted by the universities.

For the other part B survival schools: The Lummi Indian Alternative School is located in Bellingham, Wash. The State of Washington issues school certification documents, and the Lummi School has State certification for its status as a nonpublic school.

The Indian Community School in Milwaukee, Wis., is affiliated with the Pius XI School in Milwaukee, which is accredited by the North Central Regional Accreditation Association. The Indian Community School also receives services from the State.

EDUCATIONAL SERVICE PROJECTS

Senator BURDICK. Under this activity, the justification states that the priority will be given to applications which address problems of school attendance and retention. Do you honestly feel that still more studies will solve this problem?

Ms. MATHEWS. If I understood correctly, I don't think that was meant to indicate that we will sponsor any studies. I think that meant that we would give priority to projects that would actually be trying to reduce the dropout rate or the school attendance problem in a specific area.

Senator BURDICK. $4.5 million is requested for educational service projects, or an average of $1,400 per student served. Doesn't this amount exceed the total State per-pupil expenditure in some areas?

Dr. RODRIGUEZ. It may; but the service projects are a broad range of activities, ranging from early childhood or preschool programs, programs for educationally handicapped, tutorial programs, all of which are high cost programs, and it would be expected that they would be at a higher per-pupil cost than the in-school programs.

Ms. MATHEWS. Mr. Chairman, I have a list of the State average per-pupil expenditures in the school year 1977–78, and a quick glance shows the very lowest, which is in Arkansas, is over $1,000 per pupil, and the highest is about $3,500. That was a few years ago. I imagine it has gone up.

Senator BURDICK. Where is the $3,500?

Ms. MATHEWS. Alaska.

Senator BURDICK. We will stay in the continental United States. What is the highest?

Ms. MATHEWS. North Dakota had a per-pupil expenditure of $1,500.

Senator BURDICK. That is good. Are the highest in North Dakota?

Ms. MATHEWS. No, sir, that was about average for that year.

Senator BURDICK. So what you are saying is that the average of $1,400 is not out of line with the State level.

Ms. MATHEWS. Yes.

INDIAN FELLOWSHIP PROGRAMS

Senator BURDICK. The Indian fellowship programs support graduate students in the fields of medicine, law, education, engineering, and natural resources. These are exactly the same target areas funded by the Bureau of Indian Affairs' continuing education program at a level of $1.8 million. Further, the Indian Health Service supports about 600 students in the health professions area at a cost of $5.7 million. Indian students are, of course, eligible for all of the other educational support programs administered by the Federal Government.

Why in addition to the regular Department of Education programs should we fund three separate fellowship programs for Indians?

Ms. MATHEWS. I think we could make a couple of points about that. One is that there are very few resources in the Department of Education for graduate students, and the bulk of these Indian fellowships are for graduate students. Two, we screen our applicants very carefully to make sure there is no duplication of funding so that as far as we know they are not getting lots of resources from lots of different places.

A third point is that our target group of Indians is about twice the size of that of the Bureau of Indian Affairs because of the difference in definition of Indian.

And a fourth is that they seem to be applying in huge numbers and they also seem to be having a very good success rate. Their graduation rate, which I don't know exactly, I imagine would compare favorably with any group of graduate students or college students.

Senator BURDICK. I didn't quite follow you on that answer. Why are these programs needed in addition to regular Department of Education programs? Try that one again.

Ms. MATHEWS. The regular Department of Education programs are for undergraduate students.

Senator BURDICK. I see.

Ms. MATHEWS. Indian education funds are for graduate students.

Senator BURDICK. I see.

What is your best estimate of the total number of Indians currently enrolled in graduate programs? IHS, BIA, and OIE are supporting over 1,100. Can you give me a number?

Ms. MATHEWS. Could we supply that for the record, Mr. Chairman?

Senator BURDICK. If you don't have it, yes.

[The information follows:]

GRADUATE SCHOOL ENROLLMENT OF INDIAN STUDENTS

According to the latest data available from the National Center for Education Statistics, there were a total of 4,858 Indian students enrolled in graduate programs in the United States in 1978. Of this total, 1,072 were enrolled in first professional degree programs (law, medicine, et cetera) and 3,786 in other graduate programs.

RESOURCE AND EVALUATION CENTERS

Senator BURDICK. A $500,000 increase is requested for the Resource and Evaluation Centers. Yet, under the program administration account the justification indicates that an evaluation of the effectiveness of these centers is needed before the start of the second cycle of awards. Why are you requesting this increase prior to administrative review of the centers?

Ms. BAKER. One of the reasons for that increase is that we have requested the centers to increase their number of workshops with the school districts, in writing, in the school district's ability to do a good, firm need assessment and to write a part A application that will firmly impact the needs of Indian students. It would increase an average of 24 workshops per center.

We have the cost broken out. Ms. Mathews is working at this more closely than I. She may be able to——

Ms. MATHEWS. Well. I think when we first proposed the idea of centers we were talking about eight centers to serve the Nation. And we then received money for five centers but were told that these five centers had to serve the same number of grantees as we had planned for the eight.

All the centers are in their first year this year and I think a lot of time was spent at a lower cost for just getting started.

The money that we are requesting for next year would be for the second fully operational year and we would like to give them the capacity to reach all of the grantees within each of their regions.

REDUCTIONS IN BUDGET

Senator BURDICK. If the budget request for part B activities were reduced by 50 percent, where would you apply these cuts?

Dr. RODRIGUEZ. Well, we would like to take that question and study it very carefully to be sure that whatever component was reduced it would have the least negative impact on the program. However, we would not be prepared to respond to that right off the top of our heads.

[The information follows:]

THE EFFECT OF CUTTING PART B FUNDS BY 50 PERCENT

If the part B appropriation were reduced by 50 percent, $9.5 million would be cut from the present request. Since part B supports a wide variety of activities, available funds are already spread thinly, but since each program is funded based on merit and designed to meet a unique need, funds would be proportionately reduced. The resulting budget would probably be as follows:

Program	New budget	Decrease
Planning, pilot, and demonstration projects	$2,000,000	-$2,500,000
Educational services projects	2,000,000	-2,500,000
Educational personnel training (section 1005(d))	1,500,000	-1,000,000
Educational personnel training (section 422)	1,000,000	-1,000,000
Fellowships	1,000,000	-500,000
Resource and evaluation centers [1]	2,000,000	-1,000,000
State educational agency program		-1,000,000
Totals	9,500,00	-9,500,000

[1] Would provide funds for four centers, a reduction of one.

PART C REQUEST

Senator BURDICK. An increase of $470,000 is requested for part C programs. What proportion of these funds are spent on members of federally recognized tribes?

Ms. MATHEWS. We don't have that readily available since most of the grants go to either Indian tribes or to Indian organizations in urban areas. We could try to break that out for you for the record.

[The information follows:]

PART C IMPACT ON FEDERALLY-RECOGNIZED INDIANS

In 1980, approximately 87 percent of the funds awarded under part C was spent on members of federally recognized tribes. Since part C grants are awarded on a competitive basis, this percentage could go up or down in any given year.

TARGET AREAS

Senator BURDICK. Is any effort made to target areas of greatest need or are applications solely on the basis of merit?

Dr. RODRIGUEZ. In part C?

Senator BURDICK. Yes; part C.

Dr. RODRIGUEZ. The discretionary grant program in part C is funded based on merit and the relative need for part C funds.

Senator BURDICK. One-fifth of all the part C awards, along with one-fifth of the funds, went to Washington State in fiscal 1980. What percentage of all Indians live in the State of Washington?

Ms. BAKER. It is listed eighth in density of Indian population, but I don't know what is the percentage breakout of the total.

One thing that may explain the fund distribution a little better for both B and C grants, those grants are let on a competitive basis. Our statute does not require us or give us the authority to spread the funds geographically across the United States.

So because they are awarded on a competitive basis, we fund those that were ranked from the highest down until, of course, we run out of money. Sometimes this type of competitive process results in geographic imbalances of the distribution across the United States.

Senator BURDICK. It is theoretically possible then for all the money to go to one State?

Ms. BAKER. Theoretically possible, yes.

Senator BURDICK. Is that good?

Ms. BAKER. I personally would say no, that is not good.

Senator BURDICK. Shouldn't some regional distribution be involved?

Dr. RODRIGUEZ. Well, I believe it requires a statutory provision before we could implement such a requirement.

Senator BURDICK. Why did this State receive what appears to be a disproportionate share of the funding under part C?

Dr. RODRIGUEZ. They competed more successfully.

Senator BURDICK. I will have to write a letter to Senator Magnuson and see how he did it.

[Laughter.]

REDUCTION IN PART C REQUEST

Senator BURDICK. If the appropriation for part C were reduced by 50 percent what projects would receive highest priority?

Dr. RODRIGUEZ. Well, they are currently competing for the available funds. Funds would be provided to the successful competitors.

Senator BURDICK. There again competition.

Dr. RODRIGUEZ. You are correct.

Senator BURDICK. If the overall funding for OIE were cut in half would you seek to fund parts A, B, and C? Or would you concentrate on part A grants?

Dr. RODRIGUEZ. Well, I don't know exactly. We would certainly want to study this, but I think each of the budgets that have been presented

by the Department in the past have indicated a priority for part A and I wouldn't be surprised if they were to receive the first priority in any future budget submission.

Senator BURDICK. I think a while ago you said you still wanted to look at it.

Dr. RODRIGUEZ. Yes, sir, indeed we would.

[The information follows:]

THE EFFECT OF REDUCING OIE APPROPRIATIONS BY HALF

If the overall funding for OIE were cut in half, we would seek to continue some programs under all three parts. We would give the highest priority to funding part A grants. Priority in parts B and C would be given to projects to which we had made multiyear commitments.

COST OF SHUTTING DOWN PROGRAM

Senator BURDICK. Would you please provide for the record the cost of shutting down the Office of Indian Education if no appropriations were made to continue activities after September 30 of this year.

Dr. RODRIGUEZ. Yes, sir, we will.

[The information follows:]

THE EFFECT OF NO APPROPRIATION FOR INDIAN EDUCATION PROGRAMS

Even if there were no fiscal year 1982 appropriation for Indian education programs, the Office of Indian Education would still be supporting more than 1,300 project grants and some 200 fellows at a total cost of more than $78 million for the entire 1981-82 school year. The $78 million is contained in the 1981 appropriation.

Therefore, we would require the full $2,916,000 requested under Program Administration for fiscal year 1982.

These funds would be used for normal monitoring of grants as well as for increased technical assistance needed in light of reduced Federal support.

Most of the grant periods would end June 30, 1982. Final performance and financial reports would not be due until September 30, 1982. Funds would be required through November 30, 1982 for orderly close-out and retirement of official files and records, and redeployment of displaced staff.

NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

STATEMENT OF DR. MICHAEL P. DOSS, EXECUTIVE DIRECTOR, NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

ACCOMPANIED BY:
DR. HELEN M. REDBIRD, CHAIRPERSON
DR. ROBERT S. SWAN, MEMBER

BUDGET REQUEST

Senator BURDICK. The National Advisory Council on Indian Education has requested an opportunity to address the committee on their budget needs.

The Council is funded through the program administration account of the Office of Indian Education.

The Department's budget request for fiscal 1982 is $211.000, an increase of $4.000 over appropriations to date.

The Council is requesting a total budget of $265.000 and one additional position.

Dr. Doss. please come forward.

Senator BURDICK. Will you introduce the members of your Council.

Dr. Doss. I would be happy to.

To my immediate right is Dr. Helen Redbird. chairperson of the National Advisory Council on Indian Education; to my far right is Dr. Robert Swan, who is the former chairperson of NACIE and now a member of the executive committee.

Senator BURDICK. The full statement will be included in the record and we would appreciate it if you would please summarize the highlights of your testimony.

[The statement follows:]

Statement of Michael P. Doss

Introduction

It is our deep belief that the Indian Education Act was the most significant legislation passed by the Congress that has addressed positively Indian educational needs in the United States. The Indian Education Act provides for Indian students to receive direct benefits from federal funds and, more significantly, the Indian Education Act provides for parent participation in the overall development of the proposed projects, in the implementation of the funded programs and in the evaluation for the programs all on the local level. The Congress, in providing for direct Indian parental involvement in the educational process via the Indian Education Act, took a bold innovative step on behalf of American Indians and Alaskan Natives. Without these provisions in the law, Indian parental involvement in their children's education would be minimal and, at best, only superficial. The National Advisory Council on Indian Education fulfills an extremely diverse and important role in the implementation of the Indian Education Act, since we are responsible for reviewing the administration of all Title IV programs. All members of the National Advisory Council on Indian Education are Indians and represent distinct Indian populations residing within the United States (SEE: Appendix C).

The National Advisory Council on Indian Education, which was established by P.L. 92-318, on June 23, 1972, has provided a unique service both to the President and the Congress by reviewing the administration of Indian educational programs benefiting Indian children and adults. Our primary responsibility has focused upon the effective utilization of funds expended under Title IV of the Indian Education Act of 1972. These funds are administered by the Office of Indian Education, now located within the new Department of Education. The educational programs represented in Title IV, and subsequent amendments, were designed to accomplish the following objectives:

1. To meet the special educational needs of Indian children;

2. To improve educational opportunities for Indian children;

3. To provide programs of financial assistance to institutions of higher education, Indian organizations and Indian tribes for the purpose of preparing Indian individuals for teaching or administering special programs and projects designed to meet the special needs of Indian children;

4. To provide programs of financial assistance for the improvement of educational opportunities for adult Indians; and, most recently,

5. To provide a program of financial assistance to Indian students for undergraduate and graduate study in engineering, medicine, law, business, natural resources and related fields.

We would like to call your attention to a special study completed recently by the Council, entitled, An Administrative And Programmatic Study Of The Office Of Indian Education, U. S. Department of Education (SEE: Appendix B). This study was initiated in response to a request from the Subcommittee on Elementary, Secondary and Vocational Education of the U. S. House of Representatives that all the Presidential Advisory Councils should focus their efforts on

an administrative review of those programs which they are charged by law to review. Therefore, the Council established a special "NACIE Study Team" at our Rapid City Council meeting on July 21, 1980. The study team members included the following: (1) Dr. Helen M. Redbird, Chairperson; (2) Dr. Robert J. Swan; (3) Professor John Rouillard; (4) Ms. Viola Peterson; and, (5) Ms. Ruby Ludwig. During the week of August 18-24, 1980, the Study Team conducted an administrative and programmatic review of the Office of Indian Education, U. S. Department of Education in Washington, D. C. Following a second meeting of the Study Team held in Great Falls, Montana, for the purpose of reviewing the final report, the full Council approved the study report on October 17, 1980, at our Council meeting held in Dallas, Texas. The Council added the provision that the Office of Indian Education should have an opportunity to respond directly to the findings and recommendations contained in the report. Specific responses to each of the findings and recommendations by the Office of Indian Education are included in the final report, entitled, An Administrative And Programmatic Study Of The Office Of Indian Education, U. S. Department Of Education.

This study has been sent to the Government Printing Office for printing and, printed copies should be available in approximately three weeks. However, the Council would like to present respectfully this xeroxed copy of the final report in order that you may review the study now.

The National Advisory Council on Indian Education is intent upon improving our effectiveness and usefulness to the Congress of the United States and the Secretary of Education now and in future years.

In addition to this year, our Council has the responsibility of presenting a slate of nominees for the position of Deputy Assistant Secretary for Indian Education, formerly held by Dr. Gerald Gipp, to the Secretary of Education. The Council has worked closely with the Office of Elementary and Secondary Education at the U. S. Department of Education in the development of a "Search Plan" which is being implemented at the present time. The Council expects to submit a formal list of nominees to the Secretary of Education by mid-May, as required by P.L. 92-318. We anticipate that the Secretary may appoint the new Deputy Assistant Secretary for the Office of Indian Education by early June 1981. Your attention is also called to the fact that we reserve one full day of each periodic meeting held in the field for the purpose of hearing testimony from Indian residents of that region regarding the quality of Indian education. It is significant that in 1977, both the President and Dr. Ernest Boyer, U. S. Commissioner of Education, recommended that the National Advisory Council on Indian Education be continued, at a time when the usefulness of all the National Advisory Councils was being questioned. Copies of the commendations are contained later in this proposal.

We must direct your attention to the fact that our Council has assumed far wider responsibilities in the immediate past in serving as the sole vehicle for the representation of the educational needs of all Indian children, wherever they reside within the United States. Our responsibilities are distinct from those assumed by the Office of Indian Education Programs at the Bureau of Indian Affairs, which provides educational programs for Indian students who are members of the Federally recognized tribes. Our mission is to insure the provision of the highest quality education for Indian children, wherever they reside, whether it be urban or rural, reservation or nonreservation and, whether or not they are members of the Federally recognized tribes.

The Council worked to establish an "Indian Education Coordinating Committee" in 1980, consisting of the top management of the Office of Indian Education at the U. S. Department of Education and, the Office of Indian Education Programs at the Bureau of Indian Affairs, U. S. Department of the Interior. Subsequent meetings have resulted in improved communications between these two major agencies of the Federal government responsible for the education of Indian children and adults in the United States. Several interagency agreements have been consummated between the Department of Education and the Department of the Interior in recent months and, increased cooperation is planned to eliminate duplication of services.

During the past four years, it is clear that the Council has functioned with a minimal budget. For example, in 1978, we were awarded a budget of $150,000, approximately 64% of our initial budget of $232,800 awarded in 1974. The negative effects of this severe budget reduction and our currently inflated economy upon the effectiveness of the Council, include the following:

1. Our present staff includes one Executive Director, one Administrative Officer and one Secretary. We have not had an Associate Director since 1976. It has become increasingly difficult to attain our mission with only one professional staff member.

2. The Congressional responsibilities mandated by the Congress for which the National Advisory Council on Indian Education is now responsible have increased significantly but, the level of funding has decreased.

3. The wage-price spiral has increased 67.1% from 1974, when the Council was first started. During 1980, the increase was 13.5% alone. However, no commensurate increase has been provided in the National Advisory Council on Indian Education's budget to compensate for this economic phenomena. In fact, NACIE had a 14% decrease from 1974 to 1980 in its budget. We are cognizant of the fact that inflation is the Nation's most serious economic problem and, that fiscal and monetary discipline is needed if the President's inflation goals are to be met.

4. Due to the fact that our budget is limited, many individual Council members have been forced to utilize their personal funds for travel and subsistence costs while conducting National Advisory Council on Indian Education business.

Current Budget Constraints

The Council has been constrained financially in fulfilling its Congressional mandate due to its declining budget. In this regard, it is appropriate that we recall the fiscal history to the National Advisory Council on Indian Education in order to gain a realistic perspective regarding the manner in which our current budget evolved. Table 1, below, provides a summarization of our funding levels from 1974 through 1981:

TABLE 1
Eight Years of Federal Support for the National Advisory Council on Indian Education

YEAR	BUDGET
FY '74	$232,800
FY '75	225,000
FY '76	230,000
FY '77	100,000
FY '78	150,000
FY '79	175,000
FY '80	200,000
FY '81	200,000

In FY 1981, our budget of $200,000 was approximately 86% of the initial FY 1974 budget of $232,800. It is a fair assumption that the responsibilities undertaken today are at least as numerous as those faced by our organization in 1974. In fact, legislation passed during the 95th Congress actually increased the Council's responsibilities to Indian education. However, in FY 1977, our budget was cut from $230,000 to $100,000. In FY 1978 and FY 1979, we were able to minimally meet our statutory responsibilities with minor budget increases. We are encouraged by the fact that our budget has been steadily, but slowly, increasing to its present level of $200,000 in FY 1981. However, in order to fulfill our Congressionally mandated responsibilities adequately, we must realistically request additional funds for FY 1982.

A Comparison of Six National Advisory Council's Budgets for FY 1981

It may be helpful to contrast our current budget with the estimated FY 1981 budgets of six National Advisory Councils. Their corresponding estimated FY 1981 budgets are identified and compared in Table 2 below:

TABLE 2
The Estimated Budgets for Six National Advisory Councils for FY 1981

Advisory Council	Budget
National Advisory Council on Vocational Education.....	$381,300
National Advisory Council on Women's Educational Programs.....	279,100
National Advisory Council on Extension and Continuing Education.....	278,300
National Advisory Council on Education of Disadvantaged Children.....	249,200
National Advisory Council on Adult Education.....	214,100
National Advisory Council on Indian Education.....	200,000

The FY 1981 budget requested by the National Advisory Council on Indian Education before both the Senate and House Committee on Appropriations was $265,000. The amount which was approved by the Congress of the United States was $200,000.

In Table 3, on the next page, we have presented the estimated FY 1981 budgets of all six National Advisory Councils, including our budget for FY 1981 of $200,000. The information on column 3, represents the National Advisory Council on Indian Education's budget as a percentage of the five National Advisory Councils' budgets. In column 4, we have estimated the percentage of the total budget of all six National Advisory Councils currently consumed by each individual Council. At a total budget of approximately $1,602,000, the National Advisory Council on Indian Education currently utilized approximately 12.48% of the total award.

TABLE 3
A Comparison of Six
National Advisory Councils' Budgets for FY 1981

Advisory Council	FY 1981 Budget	NACIE as a % of Other Budgets	Approximate % of Total Funds
Vocational Education	$381,300	52.45%	23.80%
Women's Educational Programs	279,100	71.66%	17.42%
Extension & Continuing	278,300	71.86%	17.37%
Disadvantaged Children	249,200	80.26%	15.56%
Adult Education	214,100	93.41%	13.36%
Indian Education	200,000		12.48%
TOTAL BUDGETS	$1,602,000	Approximately	100.00%

Additional NACIE Responsibilities Projected for FY 1982

During the past year, our Council has participated directly in several major undertakings of the Federal Government. Two examples are as follows: First, we have expanded considerable effort in advising the Secretary of Education with regard to the future role of the Office of Indian Education and its programs within the Department of Education. Several of our major recommendations are contained in Part I of the Seventh Annual Report to the Congress of the United States, which is currently being printed.

In FY 1982, the National Advisory Council on Indian Education intends to hold a series of public hearings regarding the Reauthorization of the Indian Education Act, Public Law 92-318, whose authority expires on October 1, 1983. The Council has already held two "preliminary hearings" on the reauthorization at our full Council meeting in Dallas, Texas, in October 1980. Although we have scheduled one day of hearings with each of our future full Council meetings during FY 1981 and FY 1982, in the absence of additional financial support from the Congress, the Council will be unable to obtain the necessary input from Indian people on which to base our formal recommendations to the Congress. Specifically, additional funds will be required to schedule regional hearings throughout the United States, to record an accurate hearing record, to analyze all data and testimony received and to prepare our final recommendations for formal presentation to the Congress of the United States prior to October 1, 1983.

These are examples of our continued involvement in critically important developments affecting Indian education. In FY 1982, we will continue our active involvement.

The NACIE Received High Marks in FY 1977

It may be significant to recall the fact that the National Advisory Council on Indian Education received "high marks" in March of 1977 in a memorandum from the Annual Comprehensive Review of Advisory Committees made by the President, the Office of Management and Budget, and the Department of Health, Education, and Welfare (SEE: Appendix D). It would certainly seem fair to assume that following this highly complementary review, sufficient funds would be made available for the National Advisory Council on Indian Education to adequately implement the mandate of the Congress.

The FY 1982 Budget Request For The National Advisory Council on Indian Education

The National Advisory Council on Indian Education respectfully requests a budget of $265,000 for FY 1982. We feel that this request is in accord with the responsibilities and mandates set forth in the law creating our Council, and is needed for the National Advisory Council on Indian Education to effectively implement the intent of the law (SEE: Appendix E). This $265,000 budget request is $65,000 above last year's appropriation of $200,000 for our Council (SEE: Appendix F). These additional funds might be utilized in the following ways:

1. The Need For Additional Funds To Hold Public Hearings On The Reauthorization of P.L. 92-318, The Indian Education Act of 1972

   The Council has already held two "preliminary hearings" on the Reauthorization of the Indian Education Act at our Dallas Council meeting last summer. However, it is imperative that Indian people throughout the United States have an opportunity to present testimony to the Council regarding both the positive and negative aspects of Title IV, Parts A, B and C. The Council would like to request additional funds to hold five hearings, one in each of the five regions served by the Indian Education Resource and Evaluation Centers during FY 1982. Once testimony has been received, it must be analyzed and compiled for later presentation to the Congress. This will require at least two additional meetings of the Legislative, Rules and Regulations Committee of the Council. Additional consultant services will be needed, as well as, the services of a court reporter at the five hearings and other secretarial costs.

2. The Need For A Professional Research Assistant

   At times when the Executive Director must be away from the office on important Council business, someone must manage the office; also, professional research assistance is needed throughout the year, which could be provided by the presence of a "Research Assistant" if funds will allow.

3. The Need For More On-site Visitations

   In order to comply with the requirements of the Congress for a critical review of the administration of Title IV programs by our Council, more on-site visits will be necessary. This is one of the most effective ways in which the Council may determine Title IV program effectiveness.

The FY 1982 Budget Requested For The National Advisory Council On Indian Education

OBJECT CLASSIFICATION			FY 1981 BUDGET	PROPOSED FY 1982 BUDGET
11.00	PERSONNEL COMPENSATION			
(1)	11.11	Four (4) full time staff	**$ 82,112	$112,900
	11.37	Council Members-Consultants		
(2)		Full Council Meeting	11,400	15,400
(3)		Executive Committee	3,000	3,000
(4)		Search Committee	500	0
(5)		Legislative, Rules and Regulations Committee	2,000	7,000
(6)		Technical Assistance, Research and Evaluation Committee	3,000	3,000
(7)		Proposal Review Committee	2,500	2,500
(8)		Governmental Programs Study Committee	0	0
(9)		Annual Report Committee	1,200	1,200
(10)		Officers	200	900
(11)		Contract Consultants	4,488	3,000
12.00	PERSONNEL BENEFITS			
(12)	12.11	Staff Benefits @ 9.5%	7,500	10,700
(13)		Council Benefits (FICA) @ 6.65%	2,000	2,500
TOTAL PERSONNEL COMPENSATION			$119,900	$162,100
21.00	TRAVEL AND PER DIEM			
(14)	21.55	Full Council Meeting	$ 27,000	$40,000
(15)		Executive Committee	8,000	4,000
(16)		Search Committee	2,000	0
(17)		Legislative, Rules and Regulations Committee	1,200	9,000
(18)		Technical Assistance, Research and Evaluation Committee	2,000	4,000

**NOTE: Item #1, for FY 1981 budget, is for only three (3) full time staff.

OBJECT CLASSIFICATION			FY 1981 BUDGET	PROPOSED FY 1982 BUDGET
(19)	21.55	Proposal Review Committee	$ 4,000	$ 3,000
(20)		Governmental Programs Study Committee	0	0
(21)		Annual Report Committee	2,000	2,000
(22)		Officers	1,000	2,000
(23)		Invitational Travel	1,500	1,500
(24)		Staff Travel	5,400	9,000
	21.21	Taxi	400	400
TOTAL TRAVEL AND PER DIEM			$ 54,500	$ 74,900
23.00		RENT-COMMUNICATIONS-UTILITIES		
(25)	23.43	Copy Equipment	$ 7,000	$ 6,000
(26)	23.64	Telephone	100	100
24.00		PRINTING & REPRODUCTION		
(27)	24.11	Annual Report	8,000	9,000
(28)	24.1R	Publications	3,000	3,400
25.00		OTHER SERVICES		
(29)	25.34	Conference Space	1,000	1,500
(30)	25.7A	Service Contracts	100	1,200
26.00		SUPPLIES & MATERIALS		
(31)	26.6L	General Office Supples	3,000	3,000
(32)	26.6M	Subscriptions	800	1,000
31.00		EQUIPMENT		
(33)	31.3Z	Office Equipment	$ 2,200	$ 2,000
(34)	31.81	Books & Publications	400	800
TOTAL MISCELLANEOUS ITEMS			$ 25,600	$ 28,000
TOTAL BUDGET			$119,900	$162,100
			54,500	74,900
			25,600	28,000
			$200,000	$265,000

ADDITIONAL STAFF

Dr. Doss. Senator, I will be happy to reply to your earlier question, and I was then going to turn over the overview to Dr. Redbird.

With regard to our budget request for an additional member of our office staff, we have for several years felt the need for an additional research assistant. I do feel that the Council could be more effective if we had an additional person that could conduct research related to the programs managed by the Office of Indian Education.

When the Council was first funded, there was a provision for an associate director of my office. Due to budget constraints that position was rescinded.

It is difficult not having a professional staff member in the office so that I may leave the office physically to be able to attend to other duties on behalf of the Council, and then to have to be returning to the office to conduct the normal day-to-day activities.

The research assistant, if funded, would be able to manage the office staff in my absence. We have a small staff of two persons now, an administrative assistant and one secretary.

And that would be an overview of the manner in which we would expend the additional funds.

Senator BURDICK. Well, that is taking care of some of it. But the Council is requesting a total budget of $265,000 and one additional position.

Dr. Doss. Yes, sir. The additional moneys are related to our need for additional funds, looking forward to October 1, 1983, when the reauthorization of the Indian Education Act will come do. During the course of the next year, the Council will be conducting public hearings and gaining data from the Indian population with regard to the reauthorization of the Indian Education Act, title IV of Public Law 92–318. We have already conducted preliminary hearings. We held two preliminary hearings at our Dallas council meetings this past summer.

Because of the shortage of Council funds we were not able to afford a court reporter. But we did tape our testimony, and had the tapes transcribed. It made for a rather rough transcribed record, but I would be happy to provide you with a copy of that record.

We intend over the course of the next year, to hold 1 day of hearings associated with each of our full council meetings, but we still feel that may be inadequate to receive input from Indian people with regard to the Indian Education Act.

We are trying to sample the entire Indian and Alaskan Native population. We thought that one approach might be to identify the geographic areas served by the technical assistance centers and to hold one hearing in each one of those center areas. Based on the analysis of that data, we could come forward to the Congress with our recommendations with regard to the reauthorization of the act.

Senator BURDICK. I will leave you in the care of my lady on the right.

Ms. RICHARDSON. Dr. Redbird, would you like to proceed with your statement.

Dr. REDBIRD. Thank you. The National Advisory Council on Indian Education would like to go on record this morning in support of Federal funds for the Indian Education Act, parts A, B, C, and D, in the

total amount of $101,816,000. Our specific comments with regard to each major part of title IV are included in part 2 of our prepared testimony for your review.

In addition, I would like to call your attention to appendix A, which includes a section of our seventh annual report to the Congress of the United States, and is entitled "Part III, Profiles of Programs and Fellowships Funded by Title IV, Fiscal Year 1979." The seventh annual report, entitled "Education for Indian Survival as a People: A Goal for the 1980's," is being printed and will be presented to you in March 1981. However, the Council felt that you might care to review this part of the report since it demonstrates examples of where and how title IV moneys were spent in 1979.

I would now like to turn to the fiscal year 1982 budget request on behalf of the National Advisory Council on Indian Education. First, you should know that the Council has prepared recently a special report entitled "An Administrative and Programmatic Study of the Office of Indian Education, U.S. Department of Education." The study is also being printed and will be presented to you formally in the near future; however, we have included a copy of the study with this testimony at appendix B for your immediate review.

The Council has been striving to improve our effectiveness and usefulness to the Congress of the United States, the Secretary of Education, and Indian people. And we have discussed our efforts in our written testimony presented today. However, we must respectfully report that our present budget of $200,000 is inadequate to fulfill all of the responsibilities identified in our legislation.

For example, this year, the Council has assumed the additional responsibility of conducting a search for a new Deputy Assistant Secretary of the Office of Indian Education.

As you know, the Council is required to submit a list of nominees for that extremely important position to the Secretary of Education. I'd like to report that the search process is well underway at this date, and that the Council expects to present our approved list of nominees to the Secretary of Education by May 10, 1981. It is vitally important that this position be filled at the earliest possible date with the best qualified candidate.

In fiscal year 1982, the Council will have the added responsibility of preparing testimony in support of the reauthorization of the entire Indian Education Act, which expires on October 1, 1983.

In order that we may conduct a series of public hearings throughout the United States and obtain direct input from Indian people with regard to the reauthorization, additional funds will be needed. We would like to hold five additional public hearings throughout the United States, one in each region served by the five technical assistance centers. The testimony received must be analyzed thoroughly prior to preparation of our testimony to the Congress.

For this reason, and others, included in our written testimony, we would like to request, respectfully, that the Council be provided $65,000 additional money in fiscal year 1982. These added funds would increase our budget from $200,000 in 1981 to $265,000 in 1982.

Thank you again for this opportunity to appear before the subcommittee today. We will be happy to answer any questions that you may have.

Ms. RICHARDSON. I have just one question regarding the budget as submitted by the Department. You are requesting $11,000 for printing and reproduction, yet the printing and reproduction account for the entire Office of Indian Education is only $16,000.

Why do you require so much money in this year?

Dr. REDBIRD. We have several additional responsibilities in publications and our concern in printing is that the Indian viewpoint is rarely made public. We would like to have more opportunity to make that viewpoint public.

We are the only executive agency in the United States that are represented by lay Indian people. We serve no bureaucratic point. We serve the Indian people, and if we could have that public access to publish—I just looked at a report of—the preliminary report on an impact study which is well-funded for publication. That impact study is not worth what is printed, and that is not presenting the Indian viewpoint.

And if there were any way that any money could be added that would allow for the Indian viewpoint—I do not wish to disparage the people in the Office of Education or the Bureau—but rarely is that viewpoint ever allowed to come through. And if some way publicly that could be, that's why we are so concerned to get these things in the Congressional Record, so that we do not have to print it. It does cost us money to print, and we have trouble getting materials to the public.

Ms. RICHARDSON. Would any of your requested increase be used to pay the travel costs of the public to come to testify at your hearings?

Dr. REDBIRD. They pay the travel costs of the Council.

Ms. RICHARDSON. Just for the Council?

Dr. REDBIRD. Yes; that's why we try to hold the Council meetings in certain areas. One of the most expensive areas, for which we have been criticized for not holding—and it is a matter of expense—is that we are not meeting the needs of Alaska, and we have been criticized by those people that there is bias toward the lower States' viewpoint.

Ms. RICHARDSON. Didn't the chairman used to be from Alaska?

Dr. REDBIRD. He never managed to get to Alaska. Finances just are a real constraint in working up in Alaska.

Ms. RICHARDSON. Well, I'm sorry that the chairman and Senator Burdick, had to leave, but you may be sure that we will pass on your testimony to all the members of the subcommittee and share with them your concerns in this area, and give your additional request every consideration.

Thank you.

Dr. REDBIRD. Thank you.

SUBCOMMITTEE RECESS

Ms. RICHARDSON. The subcommittee will stand in recess until 9 a.m. tomorrow, February 26, at which time we will review the budget for the Woodrow Wilson Center, the National Capital Planning Commission, and the Navajo and Hopi Relocation Commission.

[Whereupon, at 10:30 a.m., Wednesday, February 25, the subcommittee was recessed, to reconvene at 9 a.m., Thursday, February 26.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1982

THURSDAY, FEBRUARY 26, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 9 a.m., in room 1224, Everett McKinley Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

STATEMENT OF JAMES H. BILLINGTON, DIRECTOR

ACCOMPANIED BY:
PROSSER GIFFORD, DEPUTY DIRECTOR
WILLIAM M. DUNN, ASSISTANT DIRECTOR FOR ADMINISTRATION

PREPARED STATEMENT

Senator MCCLURE. The committee will come to order. Good morning. This is the time scheduled to review the fiscal 1982 budget estimate of the Wilson Center, the National Capital Planning Commission, and the Navajo and Hopi Relocation Commission.

We will begin with the Wilson Center. The request for the Wilson Center totals $2,260,000, an increase of $465,000 over fiscal 1981 appropriations to date. Mr. Billington, if you would introduce your associates, you may then proceed to highlight your statement. Your full statement will, of course, be printed in the record.

[The statement follows:]

STATEMENT OF JAMES H. BILLINGTON

The Wilson Center is a busy place. In recent months we have conducted five major meetings on the Middle East with a dozen papers by specialists from all over the world. We have hosted seven conferences with prepared papers to define the national interests of the United States in every major region of the world (with 30 members of Congress participating). We have conducted an innovative 2-day policy dialog between U.S. and Venezuelan leaders. We have arranged special dinners in tribute to Hubert H. Humphrey and William J. Baroody, Sr., our first two chairmen (with talks by Vice President Mondale, Senator Daniel P. Moynihan, and Henry Kissinger, and an important essay by Jeane Kirkpatrick). We have held meetings on the future of the Soviet economy, on Korean-American relations, and on the recent Madrid Conference on Security and Cooperation in Europe. We have debated new scholarly findings (on the

Nixon presidency by a recent Center fellow from Arizona, Joan Hoff Wilson; and on the SALT negotiating process by Gen. Edward Rowny, a current fellow). We have arranged special events such as the discussion of the papacy of John Paul II with his special envoy to the United States, and an evening with former Prime Minister Harold Macmillan, which was widely discussed in the press.

Just in the last 2 weeks we have provided leading U.S. editors and journalists an annual 2-day conference on Latin America, in which National Security Adviser Richard Allen participated (with Vice President Bush and President Reagan appearing—as had President Carter when Zbigniew Brzezinski participated in earlier years); and a 2-day briefing on what to look for in the U.S.S.R. in 1981 (with a party congress, the leadership succession, and important foreign policy choices all looming on the horizon).

We believe that the Center has fulfilled in its first 10 years of operation the hopes that the Congress expressed in creating this new kind of "living presidential memorial" as a nonpartisan national institution to strengthen relations "between the world of learning and the world of public affairs." What makes new ideas and important events possible at the Center is, of course, the critical mass of fellows and guest scholars at work full-time on important projects. There were 115 with us last year from 45 different American universities and 15 foreign countries.

Quality not quantity has been our hallmark from the beginning. In the nearly 8 years I have been director there has been little increase in the size of our senior staff or of the body of fellows. But we can see a vast increase in the extent of our outreach to the world through our four international programs and through our Wilson Quarterly, which now has a paid circulation of over 100,000, the largest readership of any quarterly in the Nation. Designed for a nonscholarly audience, it seeks to make available to a broad national readership the most significant new information and ideas developed by scholars across a broad range of topics outside the "hard sciences." It is widely quoted in the daily press and noted for its objectivity and stress on solid scholarship.

The entire work of the Wilson Quarterly—as well as our widely read series of Scholars' Guides to the vast information resources of Washington—have been supported by funds especially raised outside of our annual Federal appropriation. Non-Federal funding has also supported almost all of our ambitious meetings programs (that reached out last year for the first time to New York and Chicago as well as Washington) and our growing number of 30-minute radio talk shows that are now distributed to some 250 educational radio stations across the country.

The board and staff of the Wilson Center believe that we have realized on behalf of the Congress a unique instrument for serious scholarship on subjects that matter—and for sharing ideas and stimulating discussion with a wide range of people in Washington, the nation, and the world. We believe that the Nation is, properly, getting a very large return for a relatively small annual investment—and that the returns will become very much greater in the 1980's now that the hard work of establishing the procedures, program, and reputation of this institution has been largely completed.

Crucial to the continued realization of our mission, with no increase in size and with maximum economy everywhere, are the three elements of added support that the Center is urgently requesting for the 1982 budget: a modest increase in the average fellowship stipend (to enable us to continue attracting the very best fellows openly and competitively); an even more modest allowance for modern word processing equipment (to permit us to continue to keep secretarial personnel costs down while increasing our manuscript output); and support for the eight administrative positions in our four international programs.

These international programs have had a catalytic impact on policy thinking in this city. They have given new encouragement and opportunities to American scholars for the serious study of key foreign countries. They have attracted great interest abroad. Dependable Federal support for the minimal administrative costs is essential if these international programs are to have high-quality leadership, to plan ahead and to continue attracting a high level of private funding for meetings and other forms of outreach. Approval of these core costs for our four international programs would not increase the size of the Center or commit the Congress to these particular international programs. It would make it possible for the Center to continue realizing the intention of the Congress that the Nation's official memorial to Woodrow Wilson be an international center for scholars—and to keep increasing the usefulness of its programs with a staff that will be no larger than it is at present.

In a relatively short period of time, the Wilson Center has come to play a unique role among world-class institutes for advanced study. Unlike others, the Center has no endowment, no permanent faculty or long-term fellows. It offers open access to all its programs and makes unequaled efforts to communicate with nonscholars. If Congress approves the requested core support for our proven international programs, the Center will have attained its essential and appropriate measure of Federal support. Thereafter, it will be in a position during its second decade to have an impact that will become even more extensive but no more expensive..

BUDGET REQUEST

Mr. BILLINGTON. Mr. Chairman, we believe this Center has realized in its first 10 years of operation the hopes of its congressional founders, to create a new kind of living Presidential memorial here in the Nation's capital, by creating a world class, nonpartisan institute for advanced study that makes unique efforts to communicate with nonscholars.

We come before you today with a budget that will enable us finally to realize the national mission that Congress originally envisaged in making it an international center that will forge new links between learning and thinking in our country.

The Center is a very busy place, Mr. Chairman. Just in recent months, we have conducted five major meetings on the Middle East, with a dozen papers by specialists all over the world; seven conferences, also with prepared papers, to define the national interests of the United States in every major region of the world—with about 35 of your colleagues from the Congress participating in this activity.

We have conducted an innovative 2-day policy dialog between leaders of the United States and Venezuela, had special dinners in tribute to our first two chairmen, Hubert Humphrey and William Baroody, Sr., with an essay written by Jeane Kirkpatrick, our new ambassador to the United Nations, for this occasion; meetings on the future of the Soviet economy, Korean-American relations, the recent Madrid Conference on Security and Cooperation in Europe; on new research on the Nixon presidency, on the SALT negotiations. We have had a special discussion with the envoy of Pope John Paul II, with former Prime Minister Harold Macmillan; and just a couple of days ago, with our own former fellow and former Foreign Minister of Japan, Saburo Okita.

And in the last month, we have provided leading U.S. editors and journalists an annual 2-day conference on Latin America, which National Security Adviser Richard Allen participated in, with Vice President Bush and President Reagan appearing; and a 2-day briefing, also, on what to look for in the U.S.S.R. in 1981 on the eve of their party congress.

Mr. Chairman, what makes new ideas and important events like this possible at the Center is the critical mass of fellows and guest scholars that we have at work on important projects full time. There were 115 with us last year from 45 different American universities and 15 foreign countries, including the leading experts on America from Germany, France, Italy, Poland, and China; the head of the press section of the Chinese Foreign Ministry being with us, the former head of PEN, the International Writers Organization, a leading editor of a major newspaper from Finland, and so forth.

But quality and not quantity has been our hallmark from the beginning, and in the nearly 8 years that I have been director there has been little increase in the size of our Federal staff, which has increased since 1975 only from 20 to 23 full-time staff members.

We can see a vast increase in the extent of our outreach to the world largely through our four international programs, to about 200 meetings a year, and through our Wilson Quarterly, which now has a paid circulation of more than 100,000—the largest readership of any scholarly quarterly in the Nation, in the English-speaking world, in fact.

The entire work of the Quarterly, of which we have copies here, as well as of our widely-read series of Scholars' Guides to the vast resources in this area, have been supported by funds especially raised outside of our annual Federal appropriation. Non-Federal funding has also supported and will continue to support almost all of our ambitious meetings and programs, that reached out last year for the first time to New York and Chicago as well as Washington, and of our growing number of 30-minute radio talk shows, that are distributed to some 250 educational radio stations across the country—and now are available free of charge by satellite to all public radio stations.

We believe that the Nation, Mr. Chairman, is properly getting a very large return for a relatively small annual investment. The returns will become very much greater in the 1980's now that the hard work of establishing the procedures, programs, and reputation of the new institution has been largely completed.

Crucial to the continued realization of the unique national mission we have here—and that Congress has defined—with, I may say, no increase in size projected and with maximum economy throughout, are the three elements of added support that the Center is urgently requesting for the 1982 Federal budget:

A modest increase in the average fellowship stipend to enable us to continue attracting the very best fellows, openly and competitively; a modest allowance for modern word processing equipment to permit us to continue to keep secretarial personnel costs down, while increasing our manuscript output; and support for the eight administrative positions in our four proven international programs.

Now, these programs, these international programs, Mr. Chairman—and I am nearly finished—I would like to say a word about them, because I think they have had a catalytic impact on policy thinking in this city. They have given new encouragement and opportunities, as well, to scholars throughout America, for the serious study of key foreign countries, and they have attracted very considerable interest abroad.

Dependable Federal support for the minimal administrative costs is essential if these international programs are to have high quality leadership that can plan ahead and continue attracting a high level of private funding for meetings and other forms of outreach they have done.

Approval of these core costs for our four international programs would not increase the present size of the Center or of the program staff, nor would it commit the Congress to these particular international programs. It would enable the Center to continue realizing the intention of the Congress that the official memorial to Woodrow Wilson be an

international center, linking ideas with action here in the Nations' capital.

In conclusion, Mr. Chairman, in a relatively short period of time, the Wilson Center has become a major institute for advanced study, without asking for any of the usual sustaining elements. We have no endowment, no permanent faculty, no long-term fellows, no university links. At the same time, we are uniquely democratic in costly ways that far richer institutions avoid: offering open, competitive access to all of our programs, and making unequalled efforts among institutes of this kind to communicate with a broad national audience.

If Congress approves the requested core support for our proven international programs, the Center will have obtained its essential and appropriate measure of Federal support, and we will be in a position in the decade ahead to have an impact that we believe will become even more extensive, but no more expensive.

Thank you.

BUDGET GROWTH

Senator McCLURE. While your budget is not a large one, it does represent a growth factor of 25 percent, in dollar terms, and over 30 percent in Federal staff. At a time when we are to be reducing nonessential Government programs, how can such an increase be justified?

Mr. BILLINGTON. Well, Mr. Chairman, it does not represent any increase, any adding, of staff. It represents a moving on the Federal budget of what we feel is essential and proven staff, core staff, support to sustain the kind of program that we have been developing. Our experience has shown that while foundations and private sources which now provide a little more than half of our annual budget, are willing to start up key programs of this kind, they are unwilling to sustain core administrative costs. The central staffing costs and central administrative costs on the private side are now more than half of our total $1.9 million private budget. It has to—in the long run—has to be assumed as a core part of the administration.

Senator McCLURE. Are you suggesting that the more successful you are in getting private support, the more it costs the Federal Government? The justification for the expansion of Federal support staff is because you have more non-Federal activities that must be supported.

Mr. BILLINGTON. No, it isn't that at all, sir. The basic reason for this, which we consider absolutely crucial, is that the Congress required that we have an international center for scholars. They did not indicate how this was to be done. We have experimented over the years by developing these international programs.

We are not proposing any increase in the size of the Center. We believe that is absolutely fixed by the constraint of space, and we make no request to go beyond it.

What we are doing is simply moving toward a rational balance between private and public funding. In previous hearings, in this room, Mr. Chairman, the Senate committee even expressed some concern about the private-public balance, that we may be going too heavily on the private side.

It is a simply proven fact that central staff costs of an institution are something that when there is an experimental program going, a founda-

tion or private industry may be willing to support. Once it has been proven, they will not sustain that support, and if we are to continue the very extensive program that we have been able to fund totally on the private side, we simply will have to have the sustaining staff support to maintain it.

It involves no increase in size whatsoever. It merely means a rational division of labor on what is proven possible.

Senator McCLURE. You say there is no increase in staff, but the shift from private to public financing, isn't that for staff?

Mr. BILLINGTON. That's exactly what we are proposing, and, Mr. Chairman, as I have indicated earlier, in the last 6 years there has been only an increase from 20 to 23 in full-time, Federally supported staff.

Senator McCLURE. I understand that. This recognizes two things. One, you have expanded the size of your Federal funding, and it would also permit you to continue to expand the non-Federal spending as more of it is shifted to Federal, on the core staff.

Mr. BILLINGTON. Yes; it would permit us to expand the non-Federal funding where it is proven they can sustain it over a period of time, and the quality and reputation of our programs will earn it. That is in the outreach. The meetings, the publications. The real pay-off.

It is important to realize that our ability to sustain and increase funding on the private side for this depends on the recognition on the public side that these international programs—we have not brought them to you piecemeal in the past, Mr. Chairman, because we wanted to thoroughly prove them, thoroughly test them, to make sure this was right. We have many programs we have rejected.

But having these international programs is something that is unique in this city, unique among institutes for advanced study in the world. And we think it has proven itself both nationally and internationally.

INFLATION ADJUSTMENT

Senator McCLURE. Was your budget developed in a new way this year? I note that the inflation adjustments are not considered to be budget increases.

Mr. BILLINGTON. Well, yes. This is a new procedure with the Office of Management and Budget that we were, in response to their request—I might defer to our administrative officer here.

Senator McCLURE. You mean that was not your idea; it was forced on you?

Mr. DUNN. OMB gave it to us as sort of an increase in the base.

Senator McCLURE. An increase, without calling it an increase. It is an increase in dollars without being an increase in program.

Mr. BILLINGTON. It is distribution of a figure that was given us by the Office of Management and Budget; yes. I think that is general practice.

Senator McCLURE. The inflation factor varies greatly from item to item. Why is this?

Mr. BILLINGTON. They gave us an overall figure. It was distributed by our administrative staff in accordance with those areas that were perceived to have special need, that had been long deferred in certain areas.

Senator McCLURE. Special need is not an inflation factor. We are not planting daffodils by throwing bulbs into the landscape to see where they land.

Mr. DUNN. Mr. Chairman, over the past 3 or 4 years, the general administrative costs budget of the Center has remained virtually flat. For some of these items, the costs have gone up. The distribution of this inflation factor simply reflects trying to bring it up to an actual——

Senator McCLURE. What the oil companies would call banked costs, costs that have been going up but that you haven't been able to recover; is that right?

Mr. DUNN. Yes, sir.

Senator McCLURE. That would vary from item to item?

Mr. DUNN. That's correct.

Senator McCLURE. The variation from item to item covers only cost increases, rather than expansions or augmentation of functions?

Mr. DUNN. That is correct.

Senator McCLURE. On page 7 of your justification there is a 100-percent increase for travel associated with public service, and a 400-percent increase for consultations, which are justified solely on the basis of inflation. Would these additional funds only maintain the current level of operation?

Mr. DUNN. Yes, Mr. Chairman.

Senator McCLURE. A 400-percent increase?

Mr. DUNN. The amount of money budgeted previously was not sufficient to cover the actual costs for those items.

Senator McCLURE. So they had been funded from some other source; is that correct?

Mr. DUNN. There has had to be a certain amount of shifting; yes.

Mr. BILLINGTON. What we have had to do is to cover a great deal of that cost on the private side.

Senator McCLURE. On page 7, the travel costs have gone from $4,000 to $8,000; consultation has gone from $3,000 to $12,000.

Mr. BILLINGTON. Mr. Chairman, the Federal budget, 1976, consultation was $10,000. We are returning to the Federal side a cost that has been relatively constant but much of which has been deferred onto the private side. That is true, really; that's true in both of these cases. As I understand it, the determination of the Office of Management and Budget in this new procedure was to cover precisely those areas in which not only—in which the inflation factor had been operating most considerably, and which in our case there had been not only no adjustment for the increase in expense, but which we had been, in effect, unfairly deferring the cost, the more or less constant cost, in these areas, onto the private sector.

Senator McCLURE. You mean shifting.

Mr. BILLINGTON. Yes.

Senator McCLURE. Am I correct? I don't want to put words in your mouth.

Mr. BILLINGTON. Yes, that's correct.

Senator McCLURE. I wonder if you could for me detail these two cost figures, showing the shift from public-private, or the assumption of cost by the private sector, and now your desire to shift it back to a different proportion.

Mr. BILLINGTON. Yes, sir; we will certainly do that. Let me say, Mr. Chairman, it isn't all a one-way street. In our Federal 1976 budget, we had an item of $13,000 for printing. We determined that that is better and more properly done on the private side. We have switched it, and have taken that item out completely, so we have returned an item—also, for seminars, we had an item in the 1976 budget. We put that all out. Some of those items have been shifted from the public to the private side, and we have returned money from our annual budget.

There has been a process of attempting to sort out and define the appropriate core costs of a Presidential memorial, on the one hand, and to try things experimentally but to have the whole outreach program, which is the most expensive item, done almost entirely on the private side. So things like seminars, printing, have been returned to the private side entirely, and taken off of the Federal budget.

Senator MCCLURE. If you would like to append a footnote to justify the shift, on that basis, I would be glad to have those figures in addition.

Mr. BILLINGTON. Yes, sir.

COMPARISON BETWEEN SCHOLAR SUPPORT AND PUBLIC SERVICE CATEGORIES IN FISCAL YEARS 1975 AND 1981 (EXCLUDING PERSONNEL COSTS)

	Fiscal year—		
	1975	1981	1982 request
Library	26,000	26,000	30,000
Research assistance	9,000	6,000	9,000
Seminars	2,000	.....	.....
Printing	13,000	.....	.....
Travel	9,000	4,000	8,000
Consultations	15,000	3,000	12,000
Total	74,000	39,000	59,000

In explaining the Center's request for increases in travel and consultations in fiscal year 1982 (see page 7 of budget justifications), it is necessary to look at the two budget categories for scholar support and public service over a several-year period. In fiscal year 1975, the Center spent a total of $74,000 in these categories whereas by fiscal year 1981 the total had dropped to $39,000.

This decrease was due in part to a conscious decision on the Center's part to fund the major part of its outreach program from private sources, thus eliminating for example, the items for seminars and printing. But it was also due to the fact that appropriations for support activities did not increase during this period, forcing the Center to fund these activities ever more thinly. Meanwhile, their actual cost kept going up with inflationary pressures of the past 6 years.

In fiscal year 1980, the Center was spending, in addition to the Federal amounts designated on page 7 of the budget justification for travel and consultations, the amounts of $38,877 and $16,660 from private funds for these two items respectively.

It should be noted in the table above that the amounts for travel and consultations requested for fiscal year 1982, while representing a substantial increase over the fiscal year 1981 figure, do not in either case bring the Center back to the level these two items had in fiscal year 1975. The increase in both items is needed to keep pace with actual costs which have in the recent past been covered by resort to private funds.

FELLOWS' STIPENDS

Senator McCLURE. You are again requesting an increase for funding in the fellows' stipend. Last year, the funds were provided to increase the stipends from $25,000 to $27,500, and now they would further increase to $30,000. It would seem that the candidates would be competing for the honor of being a fellow, rather than our having to compete in the marketplace for their services. Is this a pattern that is going to continue, will you be seeking annual increases in these stipends?

Mr. BILLINGTON. I hope not, Mr. Chairman. It certainly is our hope and intention not to. But if one is going to attach the importance, the high quality importance to communication and meetings, we have simply got to have the highest quality people.

The question here is one, in effect, of keeping up. Our original fellowship stipend in 1974 and 1975 of $23,100 was representing 90 percent of the average salary that we have always used as the base—of professors in the middle Atlantic area—represented 90 percent of that salary, even though that was only for 9 months and ours was for 12 and included travel, about $1,500 for travel, and health insurance—which still is the case. That represented a GS–15 level at that time.

What we have now represents 82 percent of this average salary for a professor in this area. So there has been a decline, and it represents a GS–12. There has been a sharp decline in its comparability. We feel this is based on experience, because we have lost outstanding people who could make a remarkable contribution.

This represents a minimal adjustment to remain competitive for the first-class scholars we try to attract. Nobody makes money out of the fellowship here, Mr. Chairman. I can assure you. Almost all, in fact, of our fellows make some kind of a sacrifice in coming here.

Senator McCLURE. When you say 82 percent, is that at the $27,500 or the $30,000?

Mr. BILLINGTON. That is this past year, they have been at the 82 percent.

Senator McCLURE. When you relate them to professors, I assume you mean full professors on the regular university salaried schedule.

Mr. BILLINGTON. Yes, but that is computed for 9 or 10 months, and does not include benefits. Ours is for 12 months and does include benefits and travel. It is, in fact, considerably less than that, in terms of comparability.

Senator McCLURE. I notice that the fellows supported from private funds receive an average of $35,000 per year. Why the difference between the two?

Mr. BILLINGTON. For the fellows supported from private funds, that is a base computational figure. That doesn't necessarily mean that they receive any more. That means that the grant solicitation, much of which comes from Japan and Germany, the Volkswagen foundation, and the Japan foundation, are computed at a slightly higher figure. In point of fact, professors in those countries, particularly in Germany, are paid at a much higher rate than ours are.

So we need to maintain some kind of competitive comparability. We have had very distinguished people. We had the foreign minister of Japan, Mr. Okita, and others who have been with us—Professor

Bracher, Germany's most distinguished historian of the recent period did a very interesting broadcast for us on public radio. These people are paid at a much higher rate than American professors now.

Senator McCLURE. I wasn't sure I understood your opening response. I thought I understood you to say that doesn't mean that they actually got $35,000; that is what you put up in your request for grants as a figure?

Mr. BILLINGTON. That is the base figure which we put up in the request for grants, but many don't stay for a full year, so they come for shorter periods.

Senator McCLURE. I want to distinguish between the request for grants, which may be your salesmanship or the basis on which you make the request, from what you actually pay.

When you make a request for a grant, you say, "This is what the figure is," but when you actually pay them, it is less than that; is that what you said?

Mr. BILLINGTON. No; that isn't what I meant to say, if that's the way it came out. What we do is, the basic principle for all our fellows, is that there is no gain, no loss—insofar as possible, within the limits established by the board, upward limits established by the board.

So the amount paid to different fellows will vary, but the mean on which we compute it in terms of a request, and which works out to be roughly true in practice in terms of what we pay, is at this level. And it is more expensive for these top quality people from abroad.

Senator McCLURE. You can't get all of them for $35,000 or less.

Mr. BILLINGTON. That's right.

Senator McCLURE. Is there a differential paid based on the source of funding?

Mr. BILLINGTON. I'm not quite sure I understand the question.

Senator McCLURE. You pay some fellows with a Federal stipend, and they are paid less than those who receive funds from the private?

Mr. BILLINGTON. No; the policy is uniform. The ceilings are uniform.

Senator McCLURE. It doesn't matter where the money comes from. The pay determination is made on an independent basis? It is not a consortium of funding?

Mr. BILLINGTON. That's right.

Senator McCLURE. There is a melding of the Federal funding and the private funding, and the pay that a fellow gets will be determined on factors other than the source of funding?

Mr. BILLINGTON. Yes, sir.

Senator McCLURE. So the increase in the base funding is not necessarily reflected in the Federal budget?

Mr. BILLINGTON. Yes, I think so—we have a uniform fellowship policy. There is a maximum rate of $35,000 a year, beyond which ceiling—over which we do not go, whether it is private or public. And we try to make it on the basis of no gain, no loss, regardless of whether the source is private or public.

Senator McCLURE. You could fund the increases that are necessary out of private funds, rather than public funds?

Mr. BILLINGTON. A fellow is either funded under one or the other.

Senator McCLURE. The average for the fellows on private funds is $35,000 and those under Federal funds is $27,500.

Mr. BILLINGTON. Yes.

Senator McCLURE. I wonder if this same kind of percentage disparity applies to the quality of people in the Federal establishment. That is a question I won't ask you.

[Laughter.]

Apparently the private support in fellowships for your operation, is 25 percent higher in the private sector than the public sector.

Mr. BILLINGTON. Well, yes. In terms of the base request. We have a uniform fellowship policy.

Senator McCLURE. Uniform fellowship policy, but not in the way it works. Those who paid from the Federal funding get less than those supported from the private funding, on the average.

Mr. BILLINGTON. No, that doesn't follow.

Senator McCLURE. I'm having a little trouble. I'm only a minor mathematician.

But if you pay one group an average of $35,000 a year, and another group an average of $27,500 a year, what other conclusion can I reach?

Mr. BILLINGTON. First of all, the people on the Federal side, that is, the Federal fellowship computations, are primarily, or at least a great many of them, a disproportionately larger number of the people on the Federal side are domestic American fellows. Many of them bring sabbatical money which contributed last year about $200,000 to our fellowship pool to the overall amount that they are receiving while here.

Most of the private fellowships are for special targeted individuals. Usually foreign fellows. So the differential in a sense between the one and the other can be seen in terms of the institutional support within America that brings them in. So the $200,000 about covers the difference between the two.

Senator McCLURE. Per person, even though they may get sabbatical support that flows to the fellowship pool they are getting paid their $27,500 plus money from their institutions?

Mr. BILLINGTON. On an average overall they will be getting an additive element of sabbatical support from their institutions.

Senator McCLURE. So a comparison of this at 82 percent of professors' pay isn't really a very accurate comparison of their full compensation.

Mr. BILLINGTON. For those who have sabbaticals.

Senator McCLURE. But if they are getting support from a sabbatical program at their institution and $27,500 here there might be an infinite variation in how much they actually receive.

Mr. BILLINGTON. We would like to supply a more detailed breakdown on this, Mr. Chairman, but I am afraid I don't—yes, there is the additional element of sabbatical support that brings them up. But the 82 percent as distinguished from the 90 percent is the indication of the downward trend of what we are able to provide as a percentage.

There is also a downward trend in sabbatical support in institutions. There is a subtle form of pressure that if we move toward depending more on sabbatical support we put a subtle burden of proof on the fellow to come from a richer institution that is better able to provide

sabbatical support. We don't make that a condition of our fellowships at all. We solve that problem afterwards.

In other words, we have the competition without the financial background—it is an open competition. We don't give our panels any financial information and then we solve it administratively afterward. All we are doing here is recording our declining ability to make a seriously competitive offer with the top quality of people who come to our open competition.

We think it is essential to keep this a democratic, open access institution. We simply have a declining ability.

Senator McCLURE. I understand that point. Could you provide for me the amount of sabbatical support that the fellows have received, please.

Mr. BILLINGTON. Yes, sir, we will be glad to do that.

[The information follows:]

FELLOWSHIP COSTS

The average figure given for fellowship costs on either the Federal or private accounts ($27,500 and $35,000 respectively) is just that—an average based upon full occupancy by 41 fellows (35 Federal and 6 private) for 12 months.

The private average figure is higher for two reasons: all the privately-supported fellows are from overseas (Volkswagen fellows from West Germany and Europe: Japan foundation fellows from Japan: Luce foundation fellows from East Asia: Tinker foundation fellows from Latin America) and thus their travel costs are much higher than the average for Center fellows: second, particularly in the case of Europe and Japan, foreign fellows are generally drawn from senior distinguished professors whose salaries are high, in countries where the scale of payment at the higher levels is usually considerably higher than in the United States. Thus, the $35,000 average figure seemed entirely reasonable to the supporting foundations.

The actual number of fellows and guest scholars supported during a 12-month period is considerably greater than 41. Many indivduals stay for less than a full year; we may have two or three people who occupy the equivalent of one office for 1 full year. While such a pattern of appointments does increase travel costs, it insures maximum use of the Center's limited facilities throughout the year. During fiscal year 1980, for instance, 70 actual fellows and 45 guest scholars spent periods ranging from a week or two (guest scholars) to the full 12 months at the Center.

In order to stretch our fellowship funds, we require our fellows to explore sabbatical or other sources of support which may be used concurrently. Any such funds obtained by the individual are subtracted from the level of fellowship support determined to be appropriate by our policies which are applied to all fellows, whether their stipends come from Federal or private funds. Thus, for example, if a fellow's stipend should be $32,000 for 12 months, and he or she brings to the Center $14,000 in sabbatical support, the Center would pay the fellow $18,000 for a 12-month fellowship (it would be prorated for less than 12 months). During fiscal year 1980 the Center awarded from Federal funds $816,000 in stipends and $27,920 in travel for fellows and guest scholars; during the same period the Center awarded from private funds $169,500 for stipends and $19,680 in travel; additional stipend support from sources outside the Center's budget was approximately $210,000 in sabbatical and other grants obtained by the fellows individually.

Because actual averages computed on the basis of the actual fellows who come to the Center in a given year would fluctuate unpredictably (variations in number of fellows, degree of seniority, length of travel, number of dependents, sabbatical support received, length of stay, carryover of commitments made in prior fiscal year), we base our budget upon "full-time equivalent fellows"—one person maintained for 12 months with travel and benefits included. This is consistent with university calculations based upon "full-time equivalent faculty;" and it is this calculation for "full-time equivalent fellows" which has been consistently presented to Congress since fiscal year 1971. This is the figure which we use for comparative purposes with the AAUP figure for full professors at research universities in the Middle Atlantic region, and is the basis for the decline from 90 to 82 percent between 1974 and 1980.

PAYROLL TRANSFERS

Senator MCCLURE. More than half of the increase you are requesting, $261,000, is to transfer eight people from the private to the Federal payroll. This seems out of step with the administration's effort to reduce Federal employment. I wonder if you would comment.

Mr. BILLINGTON. Well, Mr. Chairman, these programs actually exist. They have been proven, we believe, and we have discussed this problem over a long time through several administrations with the professionals in the Office of Management and Budget and with our various chairmen and board members who represent a broad nonpartisan constituency.

There is general agreement, I think, that the realization of this unique presidential memorial is one of a kind, a very small institution. It isn't going to get any larger than it is. It has its proven size.

But to make this international institution realize its mandate for not necessarily these programs but half of the center working on four international programs is an essential core part of its role as the Nation's living memorial to an internationalist president.

We have not moved any earlier because we wanted this way to be proven. We have thrown out a lot of other kinds of programs, not because they were bad but because they didn't seem central to the congressional intent in establishing this as an international center for scholars.

We now feel they have proven themselves. We also feel that as a practical matter they cannot continue unless the core administrative support is recognized by the creators and shapers of this institution as being part of its permanent structure.

So we bring this before you, not because we are happy about bringing it before you this year, but because we didn't feel in all good conscience that we had the fully proven confidence of all of the constituencies involved in the center. We have that now. We can honestly say to you that if these are not sustained, and we don't believe the core administrative costs can be sustained on the private side indefinitely, if they are not sustained, we think there will be a loss to the country, to this city, and some concern internationally.

In the next couple of months we have coming up a series of major conferences on the Caribbean and Central America. We have had some of the most, I think, important discussions in this city on that subject. We have a major meeting with the United States/Japanese economic relations.

Mr. Morse, who has just arrived, is in the room this morning. He will head the program. We have people of tenure and of great stature in their field who are committing themselves to run these programs.

We cannot, I think, ask them to do this, to stick with these programs and give them the continuity they deserve unless there is central sustaining support by the original creators of the institution.

I regret, Mr. Chairman, that we have to come before you with any request. I assure you there will be no more of this kind.

Senator MCCLURE. You sound like Roger Stevens.

[Laughter.]

Mr. BILLINGTON. Unlike some institutions at least, we have fixed limits. We couldn't possibly do any more meetings than we are doing. We couldn't possibly bring in any more fellows because of the physical constraints of the building.

The question is shall we sustain it at this level. And given the amount of requests, the amount of interest and involvement and the multiplier effect of our relatively small institution, I feel we would be really delinquent before the Congress which created this institution if we didn't make before you the strongest possible case we could for sustaining it.

Senator MCCLURE. I understand your point.

Mr. BILLINGTON. People have taken risks. We have high quality scholars running all of these programs. They have taken risks. In most cases they have resigned tenured chairs in major universities to assume leadership.

We think we ought to be able to sustain the presumption of continuity rather than putting on them eternally the burden of raising their own salaries, which is not a very impressive position to have them put in. And given the international impact of these programs, I think it is an important request which we make reluctantly but emphatically.

Senator MCCLURE. Regarding the four international programs which you now seek to support with Federal funds, the justification states that one or two of these may later be phased out. Which of the programs are questionable? And why should we pick up the costs if they may not be in existence in a couple of years.

Mr. BILLINGTON. No, we don't think any of them are questionable. We put that in to indicate that the question of which four, what four international programs will be under continuing board review. It would be a subject we would also want to discuss with our congressional committees. We don't envisage phasing any of them out at the moment. But what we are trying to impress is that we are arguing for the principle of half of the center being permanently and structurally committed to having four international programs. Just what they should cover might change over a period of time.

We are not asking for permanent endorsement of these four programs.

Senator MCCLURE. On page 2 of your justification you state that "any retrenchment in the small and carefully defined programs could have serious repercussions in the U.S.S.R., Latin America, China, and Japan."

I assume that you are saying that that is as of now and the next 6 months or 1 year it may change.

Mr. BILLINGTON. That is right now. This is where we have programs that have established—if we had to retrench a program, say, with East Asia that has had the recent Japanese foreign minister, their first Ambassador to China, perhaps their leading literary critic and major figures of this kind, it would, I think, be noticed in Japan. And there would be an added element of explanation.

Pravda just the other day took after the form of our briefing for the American news media. We had 2 days of careful discussions bringing in leading scholars so that the journalists that covered this would have some perspective and understanding.

The fact that Pravda paid great attention to casting some aspersions on what we were doing, I think is a clear indication that this has been noticed, just as the Voice of America has broadcast many of our programs into the Soviet Union.

It is important to keep in mind also that on this question of what areas we cover and the impact that there is over time, it takes a long time to develop that kind of relationship.

This is a great national asset in Latin America as well. We have had leading writers of a kind that we have had difficulty establishing——

Senator McCLURE. It seems to me to be at odds with what you said earlier, that you don't intend to expand, but at the same time you want the flexibility to shift. Now you are saying it would take a long time to build. People would become dependent upon them. It sounds to me like you are saying that you are frozen into existing form.

Mr. BILLINGTON. Not at all, sir. It is just underscoring the point I made earlier, that we don't have any immediate plans to change these. There is an investment and you get a return. But there may be a time when we will want to shift from one area to another when the national priorities or congressional interest in scholarly opportunity shifts.

Senator McCLURE. Does that lead us to an expectation that if another very critical need showed up you wouldn't want to add more rather than just shift?

Mr. BILLINGTON. We are all clear that if we add something in this area we will substract something. What we are asking for is a commitment for international programs. That is about all that a small center of this dimension can carry without having it subdivided into bureaucracies.

One of the unique things about the center, Mr. Chairman. is that we have not created departments of bureaucracy. The compactness of that building, the interaction of these different areas help prevent that. For instance, we have cross-cutting seminars that discuss common problems in the different areas.

We are all agreed, I think, that four international programs is all we can have. If we do think carefully over a period of time that we want to move toward another area we will subtract one of the ones that we have.

There is a clear sense of commitment to the Congress and as far as the board is concerned in this respect.

Senator McCLURE. You plan to appoint the program secretaries for a term of 5 years. What has been the average tenure of these secretaries in the past?

Mr. BILLINGTON. The oldest program really began going in 1975, and the first secretary stayed with it 5 years. We now have a new secretary of the Kennan Institute. The Latin American program has had one secretary. So 5 years insofar as we have a running body of experience has been about what we have been able to sustain.

The international security studies program, which has had a different area of focus each year has had a single director. This year its focus is on the Middle East; it will become in a couple of years focused on the international economics of security affairs.

We have had a continuity of leadership to sustain it. And remember, Mr. Chairman, we don't have the permanent faculty. We don't have long-term fellows. We don't have endowment. We have not asked for the features that are usually essential with all other world class institutes for advanced studies of this type.

Senator McCLURE. If we picked up only half of the cost, which two offices would you want to support and direct through appropriations?

Mr. BILLINGTON. I can't answer that question, Mr. Chairman. It would create great difficulties. In this event, we would have to try to differentiate between this program and that program rather than to endorse the international principle and then have a kind of long-range planning. We would have to defer our attention as we have had to do too often in the past.

Senator McCLURE. Are you prevented from comingling funds?

Mr. DUNN. They are treated separately.

Senator McCLURE. You are treating it separately. Are you required by law to treat it separately?

Mr. DUNN. Yes, sir. The private moneys are turned over to the Smithsonian as our fiscal agent. They treat them as they do their own trust funds with their own procedures.

Senator McCLURE. Would it be impossible for you, for instance, to make 50 percent of the funds the Federal funds and the private funds the other 50 percent?

Mr. BILLINGTON. That is technically possible. We have hesitated to do that.

Senator McCLURE. I am not suggesting it. I am just trying to find out.

Mr. BILLINGTON. I think there are problems. I used to be chairman of the Fulbright program. There was a strong feeling in making awards that we shouldn't introduce this principle of topping off so-called or mixing the funds. So we didn't do it there, and we have tried to avoid it in the center.

I think one of the problems, Mr. Chairman, if one gets into that, one gets into the business of a lot of short-term improvisations, which has been the most substantial drain on our time. It takes us away from perfecting and improving this scholarly output which has increased substantially.

We have all kinds of books and occasional papers. We have that all documented. Plus this outreach program, which is unique among institutes for advanced study. We have a highly motivated, highly professional staff.

Senator McCLURE. I don't question that. You have asked for some additional money. You make a strong case for it. There are only about 3 or 4 million others that do the same thing. And we face budget stringency. I am trying to find out how you could respond if, as a matter of fact, you accept that we have to require you to accept some limitation on that request. That is rather common to almost every agency and every group, every individual that somehow depends on Government for support.

As you know, this is a very difficult time for us in getting the fiscal package together to determine where that is going to be divided and how it will be spent.

I am groping with you as to what we can do. Because we intend to do the best we can. I am sure you will find that that is less than you wanted.

We have to apologize in advance. Perhaps less than we wanted. I don't know how else we are going to approach what we have to do here.

Senator McCLURE. The Congress will adopt budget resolutions that include reductions in fiscal 1981 and more stringency in 1982. Our job is to spread that around—not spread the good around, spread the misery around. I am only trying to see if there are things that you and we together can do to make that less onerous and more fruitful.

WORD PROCESSING

The budget for general administration shows an increase of $90,000, $30,000 of which is for rental of computer equipment. Last year, we provided $10,000 for computer services. If you are going to have your own equipment, is there still a need for outside computer services?

Mr. BILLINGTON. Yes, sir. The word processing that we are going into is to be thought of as largely in lieu of any secretarial increase. Again, in this period, since 1975 we have added only one person to the entire secretarial staff of a center which has increased—we were supporting 20 fellowships then, and 35 now, so that productivity of the center has almost doubled, and no secretarial increase.

So in lieu of the secretarial, the word processing request of $30,000 is an inexpensive method of providing the kind of support——

Senator McCLURE. It will not provide the kind of computer services that you were getting from outside contractors?

Mr. BILLINGTON. It will do some of that. I will defer to Dr. Gifford, who has been handling this aspect of our operation very professionally.

Mr. GIFFORD. We are trying to use the same terminals for both word processing and communication with the Smithsonian computer and with other computers in the country. We have two fellows, one working at the University of Michigan data base and another at Columbia. So the same equipment is used both for word processing and for computer terminal communication.

Senator McCLURE. Does the $10,000 that we provided last year for computer services cover that terminal cost?

Mr. GIFFORD. My understanding is that the $10,000 was used primarily to insure that our communication and data base with the Smithsonian's own computer were made much more usable to our fellows. So that was a precondition to this next step, which is to use our own word processors for communication as well.

Senator McCLURE. So the $10,000 that has been provided in no way duplicates or overlaps the $30,000.

Mr. GIFFORD. It was the foundation for this next step.

CARRY FORWARD OF FUNDS

Senator McCLURE. A comparison of the consolidated statement submitted last year with the one submitted as part of the fiscal 1982 justifications raises some questions. In the 1981 justification, you had esti-

mated carrying forward $573,000 in private funds. You actually carried forward almost twice that amount, $1.1 million. However, your estimated total expenditure for the current fiscal year also increased from an 1981 estimate of $4.8 million to a new estimate of $5.5 million.

Can you explain both the increase in expenditures and the increase in carryover for the current fiscal year?

Mr. BILLINGTON. I will defer to Mr. Dunn on that.

Mr. DUNN. Mr. Chairman, in many cases, the money that comes into the private side of the Center would be for projects and programs that would take place in 6 months or 1 year later. A good bit of the carryover here is what our accountants would call "deferred revenue." It is money given for a specific project which did not take place during the year in question, but which has to be carried over. It is deferred revenue. At the same time, the general level of activity of our programs has gone up each year. There is a corresponding increase in the expenditures.

Senator MCCLURE. I'm not sure I understand why your carry forward estimate doubled from $573,000 to $1.1 million.

Mr. DUNN. We are not always aware of moneys in advance. When we prepare this months in advance, grants may become available that we were not aware of when we made the original estimate.

Mr. BILLINGTON. We have developed, I think, in the interim, between those two estimates, a rather new fundraising strategy of going for the multiyear kind of grants, so I think much of our fundraising, even though we get it in the given year, it is for multiyear sustaining purposes. It is part of our general effort to get as much sustaining long-range security as we can.

There was a new strategy adopted. Part of the general strategy of trying to get more long-range security for this institution now that it has proven itself. I think that helps also account for the difference in this figure.

Senator MCCLURE. I don't mean to belabor that. It may well be justified, but I can't help but be curious when you estimate a carry forward of 10 percent of your total budget, and actually have 20 percent carried forward.

Mr. BILLINGTON. We would be happy to provide a detailed explanation of this, Mr. Chairman.

[The information follows:]

We have been asked to explain the difference between the estimates for fiscal year 1981 prepared in January 1980 and in January 1981 with respect to two items: one, total expenditures for the fiscal year (fiscal year 1981) and two, the carry forward of private funds from fiscal year 1980 into fiscal year 1981.

One, the total expenditures for fiscal year 1981 are in both cases estimates with the estimate made in January 1981 being $804,216 higher. All but $22,000 of this increase in estimated expenditures is from private funds. The principal items of increased expenditure are: (*a*) A significant increase in the conference and programmatic budget ($140,700) of the Latin American program to enable it to handle, for example, a large Venezuelan conference, two plenary meetings on "Prospects for Democracy: Transitions from Authoritarian Rule in Latin America and Latin Europe," and a continuing seminar on the Caribbean which begins in April—all of which entail substantial travel for participants from Latin America. The $53,000 increase in staff costs in the Latin American program is the result of a leave of absence for the program secretary supported entirely by private funds which he raised specifically to enable him to write a book. (*b*) The international security studies program has been concentrating this year on a core

seminar on the Middle East which has substantially increased both its staff costs in seminar preparation and editorial work as well as its conference and meeting costs. It will have, in addition, one more fellow throughout the year (total additional cost of all items is $137,804). (*c*) The east Asia program was formally established by the board of trustees in the interval between the first and second estimate. A budget for a program secretary and clerical assistance was established, substantially more money raised for fellowships, and the conference and meeting budget augmented. 1981 is the first full year of the east Asia program's operation (total additional cost $137,060). (*d*) The American society and politics program is also new—it marks a specific recognition of those fellows and guest scholars working on American materials or subjects and a reallocation of $175,000 in fellowships from the general center pool. The $120,000 proposed for meetings and conferences is probably overly ambitious for the first year of the program in American society and politics: a substantial part of those funds, if we are successful in raising them, would be carried forward for expenditure during fiscal year 1982 upon carefully prepared conferences and a new series of Scholars' Guides to American research materials. Finally (*e*) The Wilson Quarterly budget shows an increase of $174,470 in circulation promotion, fulfillment and services. This reflects the cost of securing and maintaining a higher circulation (currently about 105,000 paid subscribers) to offset an operating loss during fiscal year 1980.

Two, the difference in funds carried forward from fiscal years 1980 to 1981 is that between an estimate made in January 1980 and an actual year-end result reported in January 1981. Funds actually carried forward are $536,840 more than was estimated. While our goal is to carry forward sufficient private funds at the beginning of a fiscal year to cover all the firm commitments we know have been made for the year, we have never been able to achieve this. Among our international programs, only the Latin American program has come close to having sufficient funds on hand to cover the following year's budget.

The principal categories of difference between the estimate of January 1980 and the actual carry forward at the end of September 1980 are: (*a*) about $140,000 of gifts to the center—both restricted and unrestricted—which we could not anticipate as to amount or timing. Many proposals for funding are outstanding at any moment, and we are not sure which, if any, will receive favorable consideration or for what period of time. (*b*) A significant addition (250,000) to Latin American program funds, $110,000 of which is income not received but for which a letter of commitment for a future year exists so that our accountants treat it as "deferred revenues." (*c*) $60,000 for the international security studies program and an additional $70,000 for the east Asia program, both of which had become more certain of their needs and commitments for the winter of 1980 and spring of 1981 during the 9-month interim. The actual carry forward of private funds for all the center programs and the Wilson Quarterly represents 38.6 percent of private funds estimated to be expended during fiscal year 1981.

It should be clearly understood that most of the private funds raised are designated for specific program activities and are largely not available for the staff support purposes for which the center's fiscal year 1982 budget request is made. Indeed our private funds already on hand are for the most part not fungible. Moreover, such private support in the future will almost certainly decrease if core staffing beyond the initial start-up phase cannot be assured for the longer term.

INCREASES IN EXPENDITURES

Senator McCLURE. And the increase in expenditures was about 10-percent increase over your estimate.

Mr. DUNN. That is correct.

Senator McCLURE. You said in rather broad form that expenses increased, and I assume that's why it went up. That doesn't tell me much about why.

Mr. DUNN. Activities, the level of activities, increased.

Senator McCLURE. Beyond your expectations?

Mr. BILLINGTON. Yes; I think so, Mr. Chairman.

Senator McCLURE. Did you hire more people than you expected? Did you travel more than you expected?

Mr. BILLINGTON. The increase is related to two things: one, in terms of our activities, we had an increase in such things as multiday conferences that required some added expenditure. We have a number of proposals for private funding, really, that we are not sure when the grants are coming in.

The Wilson Quarterly's fund is not an even flow. It depends on a whole series of subscription problems, as well. There are fluctuations there. There is a question of having outstanding at any given time a number of requests. Moving toward multiyear funding, that brings in money at uneven rates, and provides carryover that is difficult to predict in advance.

And then there is simply an acceleration, for instance, in our series of evenings on national interest. The multiday conference with the leaders of the Venezuelan Government, the first of its kind that has ever been held here in Washington with local leaders—these kinds of things arrive that really aren't anticipated from year to year.

So it is difficult to estimate these things in advance, but we try to live responsibly within our means, and within our understanding with the Congress.

Senator MCCLURE. Would it be a fair characterization to say you had greater success in private support than you had anticipated?

Mr. BILLINGTON. No; we were able to sustain a greatly increased volume, particularly of outreach activities, on the private side, but much crucial support for the continuation of these international activities, I believe, is contingent on our being able to prove that these are an accepted core part, administratively.

Senator MCCLURE. Maybe I'm not communicating with you very well. But your carryover doubled.

Mr. BILLINGTON. Yes; I understand what you mean.

Senator MCCLURE. And at the same time your expenses increased.

Mr. BILLINGTON. Yes.

Senator MCCLURE. And you say that reflects higher activity?

Mr. BILLINGTON. Yes, sir.

Senator MCCLURE. Which came first? Did you get more money and therefore increase your activity, or did you increase your activity and therefore get more money? What happened?

Mr. BILLINGTON. We increased the activity because we were able to get the money to sustain it; yes.

Senator MCCLURE. It was above your estimates; therefore you must have gotten more than you anticipated.

Mr. BILLINGTON. Yes, we did—well, than we anticipated when we made the earlier estimate; yes, sir, that's correct.

Senator MCCLURE. That was my original question some 5 minutes ago.

If during the course of the year you increased your activities beyond what you had programed, and beyond what you had budgeted, and beyond what you told us you would do, it had to reflect some conscious decision on your part, or perhaps it didn't reflect any conscious decision; it just happened. But I would prefer to think it was the former, and not the latter.

If, as a matter of fact, it reflected a conscious decision on your part, what was it based upon? Was it based upon the fact that you got more money than you had thought, and therefore you could support more activities.

Mr. BILLINGTON. Yes, sir.

Senator MCCLURE. Is that correct?

Mr. BILLINGTON. Yes, sir; of course.

Senator MCCLURE. I'm not trying to trap you; I'm trying to find out what happened.

Mr. BILLINGTON. We were able, for these—in terms of these activities and also in terms of getting some multiyear grants, that extend out.

Senator MCCLURE. You are estimating a carryover balance of only $421,000 into fiscal 1982, in comparison with the figure last year of $573,000, but your actual amount was $1.1 million.

Is there a possibility that this figure may again be significantly higher than your estimate?

Mr. BILLINGTON. Yes, it is possible that grants will come in that we aren't presently sure of. We tend to be, as you would see, a little conservative on those estimates.

Senator MCCLURE. Thank you, Mr. Billington. I appreciate your testimony this morning. If there are additional questions by any member of the subcommittee, the staff will be in touch with you.

Thank you very much.

Mr. BILLINGTON. Thank you, sir, very much.

NATIONAL CAPITAL PLANNING COMMISSION

STATEMENT OF MRS. HELEN M. SCHARF, CHAIRMAN, NATIONAL CAPITAL PLANNING COMMISSION

ACCOMPANIED BY:

DANIEL H. SHEAR, GENERAL COUNSEL
REGINALD W. GRIFFITH, EXECUTIVE DIRECTOR
MALCOLM L. TREVOR, ASSISTANT EXECUTIVE DIRECTOR FOR ADMINISTRATION
ROBERT E. GRESHAM, DIRECTOR, REVIEW AND IMPLEMENTATION DIVISION
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MARTIN J. RODY, DIRECTOR, TECHNICAL SERVICES AND SPECIAL STUDIES DIVISION

PREPARED STATEMENT

Senator MCCLURE. We would now turn to the budget request for the National Capital Planning Commission.

The budget request for the National Planning Commission, Capital Planning Commission, for 1982, totals $2,381,000, an increase of $111,000 over appropriations to date. Pending is a pay supplemental in the amount of $130,000. If the supplemental is approved, the fiscal 1982 request will be a decrease of $19,000 below the current year.

Mrs. Scharf, will you please introduce your associates?

Your full statement will be included in the record. And you may then proceed with your remarks, in any form you desire.

Mrs. SCHARF. Thank you, Mr. Chairman.

[The statement follows:]

STATEMENT OF HELEN M. SCHARF

Mr. Chairman and members of the committee, I am pleased to testify in behalf of the fiscal year 1982 appropriations estimate for the National Capital Planning Commission. As you know, Mr. Chairman, this is my first hearing as chairman of the Commission since succeeding Mr. Childs, whose appointment expired last December. As a long-time native of the National Capital region I was especially pleased to receive this designation as chairman. As a regular member of the Commission for the last several years I have been well aware of both the challenges and responsibilities of the position, and I welcome them.

The President's fiscal year 1982 budget request for the Commission is $2.381 million. This figure represents an actual decrease of $19,000 below fiscal year 1981 levels (assuming a supplemental of $130,000 is granted in fiscal year 1981 to cover October 1980 Federal pay raises). As you can see we have made no request for additional positions and our request for consulting funds has dropped from $125,000 in fiscal year 1981 to $70,000 this budget year. We continue to try to provide quality services to other Federal agencies and local jurisdictions in the National Capital region at the lowest cost possible. The fact that we are attempting to deliver these same services at a lower cost than last year is testimony to our efforts to reduce costs.

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Mr. Chairman, as you know, although our staff is small, we are deeply immersed in many of the key pllanning issues of the day. You have only to read the headlines to know about the controversy which surrounds our Commission's proposals regarding the preservation of the imagnificant character and quality of the historic vists from the west front of the Capitol Building.

The Commission has circulated for public review and comment a proposed Federal element of the comiprehensive plan for the National Capital. It incorporates suggested Commission policies and proposals for limiting future building heights in those parts of Arlington hills clearlly visible from the west front of the Capitol and other areas in the monumental core. When adopted, implementation of this element would depend entirely upon voluntary cooperative action by the affected Federal agencies with jurisdiction over Federall lands in this area and by the Arlington County government which would hopefully utiilize local regulations to lower permitted building heights in those affected portions of the county.

These kinds of pllanning issues provide the challenges of which I spoke earlier. As always, we welcome this opportunity to answer your questions with regard to our fiscal year 1982 appropriation needs.

STATEMENT SUMMARY

Mrs. SCHARF. You tell me this has been entered into the record?

Senator MCCLURE. Yes, ma'am.

Mrs. SCHARF. I would like to call your attention to paragraphs 3 and 4. It is an indication of the kind of program we are involved in.

You may have read in the paper that some of our program has caused a little controversy in recent weeks. It grew out of our preparation of what we would call a policy decision or a guideline to help the Federal establishment at various agencies and facilities as they move ahead with master plans or improvements to their facilities, as well as additions.

URBAN DESIGN ELEMENT

We at this particular time have been working on an urban design element to preserve and protect the historic character of our National Capital region. One very important place to begin was at the ridges and hills of Arlington County which form a framework for the monumental core and our historic Mall. And in fact, you probably heard President Reagan admire the lovely vistas during his inaugural speech.

The green hills and ridges of Arlington County form the framework for this L'Enfant city which dates back to the beginning of the planning of our city. But the green ridges have begun to disappear bit by bit, with very tall buildings piercing the skyline. And one of the features of our Federal urban design element was that we tried to keep the height of the buildings to the green rim, and not highlight the massive display of white buildings.

This immediately provoked some misconceptions on the part of some jurisdictions, particularly on the part of Arlington, and they felt that we were invading their authority to do the planning of their local jurisdictions. That is certainly a misconception.

We have no mandate to interfere with the zoning and planning of a local jurisdiction. We do have legal authority to provide the element for the guidance of our Federal establishments; our Federal agencies. We have no mandate to invade the non-Federal land and impose regulations.

Senator MCCLURE. When you say you have a legal mandate to effect

or at least provide input into the discussion of Federal activities, are you referring only to a discussion and advisory role with respect to other Federal activities?

Mrs. SCHARF. Correct.

Senator MCCLURE. You don't have a veto power or a directive power?

Mrs. SCHARF. We do within the city.

Senator MCCLURE. Within the area of the Capital.

Mrs. SCHARF. Outside the area, we don't have that authority. Our role is an advisory one. We hope that we will have the cooperation of our neighbors.

Senator MCCLURE. You think that authority in any way affects the ability to get other Federal agencies to grant or withhold Federal participation in non-Federal building?

Mrs. SCHARF. That apparently is a concern of the protest we have heard.

Senator MCCLURE. I know they are concerned. I am trying to find out whether they should be or not.

Mrs. SCHARF. I would like to turn this over to one of my staff people, Mr. Griffith.

Senator MCCLURE. It may allay the fears or sustain the fears.

Mr. GRIFFITH. We would like to allay their fears. And that is to say that any recommended policies adopted by the Commission are certainly advisory only—in terms of their impact on the region. We would depend on other Federal agencies to voluntarily follow through on those policies. The extent to which they do or do not, we hope, would be the result of a conversation and a consideration of not only our policy but also of their impact on the local jurisdiction.

Senator MCCLURE. If I could carry that one step further. Certainly, if a Federal agency were considering building a Federal structure on Federal lands, or perhaps even a contract structure for lease back to the Federal Government, in Arlington Hills, the Federal agency would certainly have the authority to accept or reject the advice that was given by the Planning Commission. Is that correct?

Mr. GRIFFITH. Absolutely.

Senator MCCLURE. They could have in their own planning whatever elements of your suggestions that they desire to incorporate, or they would be free to reject.

Mr. GRIFFITH. Yes; I would like to add two things, and then perhaps Mr. Shear, our General Counsel, could make a statement.

In the development of these policies, at this point proposed policies, for Arlington, the Commission directed the staff, and the staff did look at the existing land uses, the existing zoning, the existing development, within Arlington County and any other jurisdiction. Policy development was not done in the absence of local development plans, procedures, et cetera; it was done with the idea that any action on the part of the Federal Government should, to the extent possible, really promote and forward the objectives of a local government.

That has been our policy in the past, and it will continue to be. There are occasions when there must necessarily be a conflict of one kind or another. And under those circumstances, we try to talk and

negotiate. And even in the proposed policies that are now circulating, there is continuing dialog and negotiations.

Senator McCLURE. Comment from counsel?

COMMISSION'S JURISDICTION

Mr. SHEAR. As has been indicated, the Commission's essential jurisdiction is advisory, except with respect to Federal public buildings in the District of Columbia, over which it has approval jurisdiction.

You correctly made a distinction between the Federal establishment and other Federal interests in the region. The Commission hopes that the wisdom of its policy recommendations commend themselves to other Federal agencies, so that they will accept them, either with respect to Federal development or with respect to Federal licensing and assistance programs.

Ultimately, the question of whether the Commission's advice with respect to Federal licensing and Federal funding activities is or is not accepted by another Federal agency is dependent upon its own statutory authority and regulations under which it operates. The Commission ordinarily sees a variety of proposals requiring Federal licensing or Federal funding through the so-called A-95 process.

It is an agency to whom applications are referred under OMB A-95, and it does make comments back to the Federal agency, the relevant Federal agency. Whether that Federal agency accepts or rejects in whole or in part the Commission's recommendation depends on a variety of other comments which it receives, and upon the guidelines, criteria, or standards established by its own statutes and regulations. In any event, the Commission's role is to render advice in light of the comprehensive plan, and in light of Federal interest in the region, and the licensing or funding agency, HUD, DOT, whomsoever makes the ultimate decision.

Senator McCLURE. That was a careful legal opinion. I appreciate that it is now on the record. But it didn't do one thing to allay the fears or suspicions of neighboring jurisdictions.

A-95 PROCESS

Mr. GRIFFITH. Perhaps I might add that the A-95 process that Mr. Shear referred to has resulted in the Commission reviewing over 500 projects in the last several years. Out of those 500, we have one negative recommendation, which is the subject of the controversy. So in terms of averages, I really don't think that the neighboring jurisdictions have anything to fear.

Senator McCLURE. They may not have anything to fear. The fear that they have is not that you won't consult or urge, but that you will attempt to coerce, and that you or other Federal agencies will attempt to get your way regardless of the legal framework in which it is done. I don't think that they are without justification in that fear.

If, in fact, out of 500, you have only chosen to raise an issue with one, if that issue is resolved on the basis of consultation in which their ultimate right to make the decision is recognized—and that is the authority under existing statutes, under A-95, and I think Mr. Shear would agree that is the legal status of the A-95 process.

The practical effect of the A–95 process in the hands of arrogant administrators can be chilling to the ability of people to exercise their rights under statutes. It would be fair to characterize that in some instances that has been the intended purpose on the part of Federal administrators: to shape, to change, to direct, to mandate what is done under the statutes.

I'm not saying that is your intention in this case. You will recall the Department of the Interior is bringing a lawsuit under no statute at all, but only the Secretary's own desire to formulate the building codes within Rosslyn, which the courts ultimately threw out, as they should have. It was a great cost to the people who were involved, on the basis of no statutory authority whatsoever.

If they can do that with no statutory authority whatsoever, what can you do under an A–95 process, where if you believe, and if other Federal agencies believe, that you have the right to mandate upon your neighbors what they do on their land—then indeed there is reason to fear.

My neighbors and I have always gotten along well. If he wanted to put up a fence, he may ask me, but I have never told him what he could do on his property. And if at any time I did tell him I didn't like the color of his house—and he could take or reject my opinion—that is one thing. But if I then undertake to mandate what color his house should be, that is quite another. And for me to sit down with him and say, "All right, I don't like your color of green. I would much rather have a color of brown," and he is free to reject it with no recriminations at all, our relationships remain fairly good.

But if at some point I decide I don't like your color of green, and I'm going to make the changes—then, as a matter of fact, our relationships would probably become rather strained.

I think that is the essential difference. And so, a legal opinion, outlining what the law is, is fine, and I appreciate that. I think people ought to know what the law is. But what will be the actions of the Federal Government and its agencies is also something that isn't necessarily confined to the law.

SECRETARY WATT'S CONFIRMATION HEARING

Secretary Watt in his confirmation hearings was very much criticized for having brought lawsuits against Federal agencies when he was in private life. Those lawsuits were in every instance to try to force Federal agencies to comply with the law. Yet, he was criticized for having brought the lawsuits to try to force the Federal Government to live within the law.

There are some reasons why people out there react when they see Federal agencies begin to say, "Hey, I don't want you to do that," because it has not always stopped at the consultation process. It has not always confined itself within the framework of the existing statutes. There has been an arrogance of power on the part of some who seek to impose their judgments even in the absence of statute that clearly defines and gives them the authority to do so.

Mrs. SCHARF. Mr. Chairman, the National Capital Planning Commission has no intent to impose. We feel that if we can talk together, plan

together, and accept what is possible with each jurisdiction, that we will be on the same wavelength, working toward the same end. We are not trying to impose.

Senator McCLURE. I appreciate that statement. I am sure the people who are affected by the controversy would like to take that statement at face value. They will be watching the conduct of Federal agencies to see if indeed it is a friendly consultation process, or whether frustrations at some point—say, "Well, I've got a little more power to use. I will use it."

EFFORTS AT COOPERATIVE DIALOG

Mrs. SCHARF. We have been trying to get this kind of cooperative dialog going. It is a little difficult. Everyone is overworked and understaffed. There isn't the time that you can give to it easily, but we are working toward that end.

Senator McCLURE. I thank you very much. And I don't mean to extrapolate the current situation into some kind of a major Federal-local confrontation. I would hope we can avoid that, and I think you are trying to avoid it, also. I think the fears are real. They are not insubstantial. They need to have some assurances.

Mr. GRIFFITH. Mr. Chairman, one of the reasons why the fears may be real is, fortunately, because the National Capital Planning Commission and the Federal Government have been able to help influence the development of the surrounding communities.

When you look at the fact that 90 percent of the Federal land is outside of the District of Columbia within the region, and 45 percent of the employees are outside, there is obviously a tremendous impact that the Federal Government has on the surrounding localities. We have been fortunate enough in the past, and I think the record will show, that we have in fact supported—we have bolstered, we have helped the economy of these local jurisdictions by directing Federal employees and establishments and their development, in a manner that supports the economic development plans and the physical development plans of the surrounding localities.

The fact that we have been successfully able to do that in the past, when there has been no controversy should cause them to say, "Hey, look at what they did to help us. Why would they hurt us?"

Senator McCLURE. I don't mean to belabor the subject, but again, the context of your statement should be taken, I would assume, in the context that when you have the power to influence, it is by the direction of Federal agencies' planning for its own uses, and not in the A-95 process, or the ability to grant or withhold the Federal financing that is available through other agencies for non-Federal buildings.

The Federal Government is so involved in the lives of all of our citizens that if we try to follow out to the end our ability to influence, simply because there are Federal dollars or Federal programs involved, we would control everybody's lives.

That is the fear of the people. And I am very mindful of the fact that there have been very positive aspects and cooperation where you have been able to fit into local planning.

In my home State, in Boise, Idaho, when the Federal Government decided to build the Federal building, they bought some land, they

built the building. They didn't actually buy it; it was some they already owned, on the corner of an old military post. It did not fit into the city's plan. The city felt, necessarily, aggrieved that all of a sudden a massive building went up with no consultation with local people at all, neither the State officials, building State buildings; the city council that was trying to figure on what traffic patterns ought to be, where roads ought to be built. The Feds decided they wanted to build it, so they built it, then thumbed their nose at the local people.

Those are bad examples in the past. I am sure that's not the case here. And I think you are exactly correct, the positive effects of the relationship between the Federal Government and the local units of government is far more evident than the negative aspects of it.

There wouldn't be a highway from here to Baltimore or another highway on the other side of the Potomac if the Federal Government hadn't found a way to warp its highway building policies to couch it in the terms of parkways, in order to be able to build such highways. That is one very major example of what some people think is constructive, and others, perhaps, might question.

Did you have a further statement, Mrs. Scharf?

Mrs. SCHARF. Mr. Chairman, if you have questions, I would like to address them. Since I am new in the chair, I would be more comfortable if my colleagues here, my staff people, would respond.

Senator MCCLURE. Fine. I don't expect you to have all of the answers, even though sometimes the secretaries who come before us from downtown are sometimes questioned by at least some of my colleagues as though they had been here for years, and knew all the answers.

REORGANIZATION OF THE COMMISSION

Although your personnel level remains constant, the staffing pattern shows many changes from last year to this. For instance, there are no longer separate branches for transportation, zoning, or urban design, and the cartographic and graphics branches have been merged.

Can you briefly explain the background of this reorganization?

Mr. GRIFFITH. Yes, Mr. Chairman. Let me do that. A brief history, very brief. The Commission in 1973 had about 64 employees. Because it was anticipated that with home rule the Commission's functions would dwindle and the city's planning program in the District of Columbia would enlarge, there was a systematic cutback of the Commission staff over the years. What, in fact, did happen was that the Commission workload increased, and has been increasing over the years. Last year because of the increase in workload we asked for several people that we were not able to get. We also asked the year before that.

In order to accommodate that workload and meet our obligations, we necessarily had to do something. The "something" we did was reorganize, so that what we now have are two major thrusts: one, review and implementation; the other, planning and programing. Neither one of those very necessary functions of the Commission can afford to have its own specialized staff of transportation planners, zoning planners, environmentalists, designers, historic preservationists, et cetera.

So what we had to do was find some method of servicing those two major functions, and we did this through the reorgnization, the pulling

together, of what we call our technical services branch—which then applies those services as need be to the various efforts of the Commission. It is like a floating pool of very specialized planners and experts that we pull in and work on projects, no matter what those projects are, as opposed to the ongoing major projects of the two main branches.

It is the only way we could continue with the increasing workload without an increase in staff. Mr. Trevor?

Mr. TREVOR. I was going to say that the branches became smaller and smaller because of these earlier staff cuts, and they got down to one employee in some cases, in some cases two employees, we eliminated the branches as such, and placed the employees in special assistant categories.

INTERACTION BETWEEN NCPC AND PADC

Senator MCCLURE. You mentioned that it had been anticipated that the functions performed by the National Capital Planning Commission would be reduced as the city planning took a greater role.

Mr. GRIFFITH. Yes.

Senator MCCLURE. That leads to a question which I think we must ask ourselves, as to what the relationships between units that we have created ought to be. One of the major renovations is on Pennsylvania Avenue. One of the major changes is on Pennsylvania Avenue, where you have a coordination requirement and an interaction requirement between yourself and that agency.

Mr. GRIFFITH. Yes, that's true.

Senator MCCLURE. Maybe it isn't fair to ask you—but are we building too many duplicating or specialized subunits? Could we better reorganize our entire planning process in some different way?

Mr. GRIFFITH. I think, Mr. Chairman, I would have to answer that from a personal, professional planning point of view—as opposed to an institutionalized point of view. And from a personal point of view, my opinion would be that, yes, given the size of the National Capital, even though it has special interests, there could be a reduction in the number of planning authorities, agencies, bodies. That's my professional point of view.

COMMISSION'S STAFFING LEVELS

Senator MCCLURE. For fiscal 1981, you had requested an additional six staff positions which were denied by OMB. Did you ask for any increase in personnel for fiscal 1982?

Mr. GRIFFITH. Yes.

Senator MCCLURE. And you were again denied?

Mr. TREVOR. Yes.

Senator MCCLURE. You indicate that your organization must meet the problems, because you couldn't get additional personnel last year, you made better use of personnel. Are there other changes that can respond further to the continued denial by OMB of increases in personnel?

Mr. GRIFFITH. There will have to be other adjustments. The workload increases not only because of the activities of the Federal Government, which are increasing, but there is more development, more programs that have to be reviewed, and also because of new legislation. Over the past several years we have had NEPA, we have had the concerns of

historic preservation come to the fore, and we have had other initiatives outside of the control of the Commission.

To say whether or not we would respond to them—is mute, when in fact the Commission has had to respond to them by virtue of the way these laws were drawn. We had to respond to those new initiatives with existing staff. If that happens, as we anticipate it will happen, we will have to again meet our obligations in some manner.

COORDINATION WITH ADJACENT UNITS

Senator McCLURE. Did you sit down and plan with adjacent governmental units major travel quarters, street relocations, or expansions?

Mr. GRIFFITH. We did coordinate.

Senator McCLURE. With both the District government——

Mr. GRIFFITH. And with Maryland and Virginia.

Senator McCLURE. How much of your time is spent on coordination of these activities with governments outside the District?

Mr. GRIFFITH. We have one person working on that coordination full time. In addition to him, he may call upon our specialized staff. And I would like to ask some of our staff to respond to the question of coordination.

Perhaps we could begin with the chief of our Review and Implementation Division.

Senator McCLURE. If you would give your name as you respond, please, for the record.

Mr. GRESHAM. I am Director of the Review and Implementation Division. I would—this is an estimate that probably 10 to 12 percent of the time of the Review and Implementation Divison is spent in coordination, 10 to 15 percent of the time. I would say this coordination is with the jurisdictions outside the District. This would be in coordination with Federal projects that may be developed with the various institutions in the region.

Senator McCLURE. Are those transportation projects? Sewer? Water? The so-called infrastructure?

Mr. GRESHAM. These are generally not transportation projects. There is one transportation expert on the staff who primarily handles the coordination with the jurisdictions on transportation matters. The Federal projects would involve primarily building matters, building projects, park development projects, and so forth.

Senator McCLURE. Building projects? You mean the Federal Government building outside the District?

Mr. GRESHAM. Yes, sir.

Senator McCLURE. I didn't realize that that was within the authority of the National Capital Planning Commission. You're talking about the impact, local impact, of the Federal building outside.

Mr. SHEAR. We have both advisory review jurisdiction and the statutory mandate as the central Federal planning agency in the National Capital region to coordinate Federal development throughout the region with State and local governments.

Senator McCLURE. Can I hear from the other division heads?

Mr. HROMANIK. I am Director of Planning and Program Division. Senator, we spend at least 15 to 20 percent of our time in coordinating

our long-range planning with the long-range planning efforts of the local jurisdictions, and with the regional and State planning agencies.

We discuss land use plans, their transportation plans, to see how they will affect the Federal Government, the Federal needs. We coordinate with their planning efforts to see that basic services and other Federal Government needs are met.

Mr. RODY. I am Director of the Technical Services Division. I would say that our staff is probably much more involved in local activities, local coordinations, than the other two. I would estimate somewhere around 20 or 25 percent.

We have a historian that works with the historic preservation problems of the District, local, and State historic officers. We have environmental specialists that deal with the review of all of the environmental statements affecting the local jurisdictions.

Our transportation individual spends a considerable amount of his time with the Transportation Planning Board of the Council of Governments, which is the regional coordinating body for major transportation issues. The whole series of the various specialists are dealing, I think, much more closely in terms of coordinating various projects in the region.

GEOGRAPHIC LIMIT OF NCPC AUTHORITY

Senator MCCLURE. The statute defining the scope of your authority has a geographic limit, defined by county boundaries. As a practical matter, how far out do you reach in those planning activities? Do you go to the far boundaries of Prince Georges County, Loudoun, Prince William Counties?

Mr. SHEAR. Yes; there are Federal installations which are located throughout the National Capital region as defined in the act. For example, Quantico lies partially in and partially outside the National Capital region. Fort Belvoir and a number——

Senator MCCLURE. Does the Commission get involved in what happens at Quantico?

Mr. SHEAR. Yes, sir. National plans, individual development plans, come before the Commission, and of course are referred to the local jurisdictions for their views, their comments, before being reviewed by the Commission itself.

PAY ACT SUPPLEMENTAL

Senator MCCLURE. $130,000 is requested as a pay cost supplemental for fiscal 1981. How much of the additional pay costs have been absorbed by the Commission?

Mr. TREVOR. Approximately $24,000.

Senator MCCLURE. In addition to the $130,000, or of the $130,000?

Mr. TREVOR. We asked OMB for $154,000. They asked us to absorb $24,000, which gets us down to the $130,000.

RELOCATION TO OLD POST OFFICE BUILDING

Senator MCCLURE. The plan last year was that the Commission would relocate the Old Post Office Building. That move was canceled. Are there any future plans for moving, which are not reflected in this budget?

Mr. TREVOR. Yes, Mr. Chairman. We have been told very recently that there is a strong possibility that we again will become a tenant in the Old Post Office Building when they finish refurbishing it. We were not able to get those associated costs into the budget in time.

Senator MCCLURE. That is not reflected in the budget?

Mr. TREVOR. No: they tell us the move will occur sometime the first part of fiscal year 1982. But, of course, I don't know how accurate that projection is.

Senator MCCLURE. Even though you plan, you don't plan that much detail?

Is that long-range planning beyond the limits of your long-range capability?

Mr. GRIFFITH. Mr. Chairman, we may plan, but we do not implement.

Senator MCCLURE. Would you submit for the record the costs of moving which might be anticipated in the event of that move?

Mr. TREVOR. Yes, sir, we would be happy to.

[The information follows:]

The cost of moving the National Capital Planing Commission to the Old Post Office Building would involve two specific costs. The actual moving expenses estimated to be $22,000. and are the same as those mentioned in the fiscal year 1981 estimates. The other cost involves the rental of "system furniture" which the General Services Administration requires all new tenants of the building to use. We have understood that this cost will be about $28,000 per year for approximately 9 years, and will be paid by the tenants of the building from Commission appropriations directly to GSA. This would make the fiscal year 1982 cost of moving to the Old Post Office an additional $50,000 over the current fiscal year 1982 figure of $2,381,000.

CITIZENS' PARTICIPATION PROCESS

Senator MCCLURE. Mrs. Scharf, last year $20,000 was provided for a stepped-up citizens' participation process. And the same amount is requested for fiscal 1982. Would you please explain what is meant by that?

Mrs. SCHARF. This is not a new item in this year's budget. Procedures have been devised, and the possible projects have been identified. I am going to let Mr. Shear talk to you about that.

Mr. SHEAR. Mr. Chairman, perhaps I can respond partially, and Mr. Griffith can complete the response.

This request, for which Congress appropriated $20,000 for fiscal year 1981, and for which we are seeking another 20,000 in fiscal year 1982, is in response to an Executive order. Presidential Executive order encouraging agencies to provide financial assistance to interests which might not otherwise be adequately represented in proceedings and issues before Federal agencies—particularly regulatory agencies, but also including agencies such as the Commission.

There was some feeling that citizens' groups, environmental groups, other interest groups, were not able to participate because of a lack of funding and to get across to Federal decisionmakers their position on matters, issues, before them. And so, former President Carter, by Executive order, encourged agencies to seek such funding and devise programs of assistance to such interests in matters which come before them.

That is the context within which the moneys were appropriated last year, and for which we seek additional funding in 1982.

Senator McCLURE. How was the program implemented? How was the money expended?

Mr. GRIFFITH. Mr. Chairman, we have not yet expended the money. We are in the process of doing so. The Commission holds regularly scheduled meetings on the first and sometimes the first and second Thursday of each month. The tentative agenda items are mailed out about 10 days in advance to something like 825 various individuals, organizations, groups, that may have something to say about the issues being considered by the Commission.

We have found in the past that some of these groups have not been confortable—or some of these groups have been rather frustrated, let me put it that way—when they perhaps are confronted on one side with specialized environmentalists, engineers, technicians of one kind or another, and they themselves, being interested citizens or an interested locality, do not have the resources to counter that, or evaluate that, kind of testimony.

Therefore, the money that we do have now and we are looking for in the future would be used—having identified these groups—to support them in giving them the kind of technical expertise that they would need to fully participate and before the Commission in order to make their views well grounded, and certainly as informed as those from the other side.

We have designed a process by which the groups can be evaluated in terms of their need for the funds, in terms of the likelihood of their not having the resources to prepare their particular position before the Commission. And that kind of procedure has been just about worked out.

We are in the process now of soliciting the potential participants in this kind of process as to whether or not on any particular issue they need assistance. It is to make sure that the "planese," "technicalese" that so often takes place within the Commission chambers, as with any commission chambers, is available to all interested parties.

Senator McCLURE. Does the Commission staff itself attempt to look at all of those points of view before arriving at a decision and making a recommendation to the Commission?

Mr. GRIFFITH. Absolutely. But I think the thrust of the previous administration's program was to make certain that there was an unbiased opinion placed before various decision groups. No matter how broad or comprehensive the staff position is, some groups may consider that a rather biased position.

Senator McCLURE. Professional opinion and professional standards are not necessarily good enough to guarantee that various perspectives are considered before a decision comes in, or perhaps, to put it in a different way, an additional way, that even though the professional competence might be there, the public confidence in that professionalism is not there. Is that correct?

Mr. GRIFFITH. That would be correct. I had the pleasure of serving on the Ethics Committee of the National Professional Planning Association for many years. We have had the problem throughout the coun-

try. Although professionalism is there, the public opinion with respect to it is not always present.

THE NCPC MAILING LISTS

Senator McCLURE. How do you identify the 825, more or less, groups and individuals who will receive mail? The mailings.

Mr. GRIFFITH. This process has been going on for many years, Mr. Chairman. That list is updated annually. These are people or organizations that have in the past either been sought out by the Commission or have sought the Commission out. Annually, we request of them an update as to whether or not they still wish to be informed about the Commission's proceedings, if they have anyone else that they think wishes to be informed, et cetera. So it is an ongoing and constantly changing process, at least updating the list on an annual basis for groups throughout the region.

Mr. SHEAR. We are required by the regulations of the Joint Committee on Printing to periodically ascertain whether people desire to remain on the mailing list or not. But basically, organizations and individuals come on the list at their request.

Senator McCLURE. At their request. Are all requests accommodated? Somebody says, "I want to get on your mailing list," they are on?

Mr. SHEAR. Yes, sir.

Senator McCLURE. I'm amazed it's not more than that. It must be pretty dull reading.

[Laughter.]

Mr. TREVOR. I think the whole thrust of the citizens participation initiative is to encourage citizens' participation and not to perhaps substitute our expertise for their point of view.

Senator McCLURE. I understand the desire to have citizen participation. I'm not quite sure I understand why we have to pay people to do so. We used to tax people to vote. We have done away with that, but we haven't gotten around to the point where we will pay them to vote.

Mr. GRIFFITH. It is public confidence again. It is whether or not the engineer that is from the agency, whatever that agency is, be it private or public, is in fact unbiased and truly professional, and the need of the citizens to have their engineer take a look at the other's work.

Senator McCLURE. Was this promoted by the individuals themselves, or simply by the beltway bandits?

Mr. GRIFFITH. In terms of this kind of citizen participation? No.

Senator McCLURE. That's where all the money ends up.

Mr. GRIFFITH. It was an Executive Order. I think its history goes far back to just before model cities, and perhaps during and after when the Federal Government decided that many of the organizations that were interested in development should be afforded resources to participate in their interest in a more professional manner. And so the Federal Government therefore started funding some of these organizations.

Senator McCLURE. I understand that. And the point where we have Federal funding going into outside groups as well as to bring suit against Federal agencies, we have all kinds of litigatory and administrative procedures set up to accommodate that great flood, and hire more Federal judges, more administrators, more people to more endlessly

analyze and plan. And that is where the great growth in the Federal budget has been.

William Simon, in his book "Time for Truth," correctly identifies the great growth of the Federal Government as being to a special class of upper-middle-class citizens, not to the rich or to the poor. Great middle class. Federal bureaucrats. That's where the money has gone. That is where the growth has gone.

I think this program is well conceived in concept. The idea of trying to get people adequately represented and involved. Oftentimes, the practice is different than the theory.

Right now, I can point to a dozen different instances in which a simple Federal opportunity has been translated into magnificent personal opportunity, for engineers and planners and technicians and grantsmen. And all the rest of the panoply of support services that built up around Federal activities with no real measurable increase in the opportunity for the ordinary citizen to be heard.

I don't know how you sort that out. I'm a little curious. $20,000 isn't much. It may not do much harm; neither will it do much good, perhaps.

Senator McCLURE. This isn't the same as Dirksen's comment that one billion here and one billion there, and pretty soon it adds up to real money.

[Laughter.]

OBJECT CLASSIFICATION BREAKDOWNS

Senator McCLURE. The comparison of your object class breakdowns submitted last year and this year indicates that in fiscal 1980 approximately $30,000 was transferred from printing and reproduction to other services. Was the money used to support unbudgeted contracts?

Mr. TREVOR. No; it was not. We are a very small agency, so we can estimate our salary expenditures quite precisely. The figures become quite exact and finite. And if we don't receive that much money to support those salaries, we have to absorb the cost somehow or trigger a reduction in force. In the short run if people don't voluntarily leave, we have to absorb money from some of the other object classes. We do this very carefully, and not very often. But in that case, the $30,000 represents what the movement was.

Senator McCLURE. This was a movement into salaries?

Mr. TREVOR. It was a movement into salaries.

Senator McCLURE. There are restrictions on your ability to move nonsalary into salary items?

Mr. TREVOR. Yes; and this movement did not exceed those restrictions.

Senator McCLURE. If you managed with only $42,000 for printing and reproduction last year, why is it necessary to provide almost twice that much for the coming year?

Mr. TREVOR. Our appropriated figure for printing and reproduction has been $78,000 for the last 3 or 4 years; however, those printing items that we necessarily had to defer last year, because we needed that money elsewhere must still be accomplished.

Senator McCLURE. Because of salaries.

Mr. TREVOR. Yes; we have to compensate this year for printing not done last year.

Senator MCCLURE. Let's assume you had $42,000. Is that $42,000 before or after the $30,000 shift?

Mr. TREVOR. After the $30,000 shift. We had a $78,000 total originally appropriated in fiscal year 1980. We had the 24 object classes broken into two groups. One is printing and the other is duplication. The total sum for that object class was $78,000.

Senator MCCLURE. In 1980 it was $42,000.

Mr. TREVOR. That should not be the case, sir. That figure should be $78,000. That has got to be a typo. We have never received less than $78,000 in any of the last 3 years.

Senator MCCLURE. I would refer you to page 26, item No. 24, "printing and reproduction, $42,000 in 1980 actual." The 1981 estimate was $78,000, and you transferred $38,000. That was the year the $30,000 was transferred.

Mr. TREVOR. I was talking about fiscal year 1980. Let me say that the difference in these two pages is that on page 5 we are talking about money on an obligational basis, not necessarily an accrued pay-out basis. And on the standard form 304 on page 26, we are talking about actual payout.

Senator MCCLURE. And that reflected the transfer out that you had anticipated spending $78,000 that year.

Mr. TREVOR. Yes, sir; that's correct.

Senator MCCLURE. Are the special projects on a photogrammetric mapping and the tourism study progressing on schedule?

Mr. TREVOR. The mapping project is on schedule. We have advertised for requests for proposal in the Commerce Daily. And we are in the process of collecting them for that contract. I might add that we are in joint concert with the District of Columbia's Department of Transportation on that project. That is coming along very nicely.

The tourism study contract has not gone forward yet. We are still considering that.

Senator MCCLURE. Will both be accomplished within the amount justified before the committee last year?

Mr. TREVOR. Yes, sir.

Senator MCCLURE. $30,000 for mapping, and $15,000 for tourism.

Mr. TREVOR. It is our hope that will be the case.

Senator MCCLURE. Hope, or expectation?

Mr. TREVOR. Expectation.

Senator MCCLURE. Thank you, Mrs. Scharf.

Mrs. SCHARF. Thank you, Mr. Chairman.

Senator MCCLURE. If other members of the committee have any questions to submit the staff will be in contact with you. We appreciate your testimony this morning.

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

STATEMENT OF ROGER K. LEWIS, CHAIRMAN, NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

ACCOMPANIED BY:
LEON H. BERGER, EXECUTIVE DIRECTOR
STEPHEN G. GOODRICH, ASSISTANT DIRECTOR

PREPARED STATEMENT

Senator MCCLURE. We will now turn to the fiscal 1982 budget request for the Navajo and Hopi Indian Relocation Commission. The budget request is $15,061,000, an increase of $12,381,000 over fiscal 1981 appropriations to date. The fiscal 1982 justifications are being printed as part of the House Appropriations Committee hearings. We will not duplicate that printing.

Chairman Lewis, members of the Commission. I welcome you before the committee. We will print your complete prepared statements in the record.

If you will introduce your associates. You may proceed to highlight your statements.

[The statement follows:]

STATEMENT OF ROGER K. LEWIS

It is a pleasure to appear before this committee once again in support of the budget proposal of the Navajo and Hopi Indian Relocation Commission. That pleasure is, however, somewhat tempered by the fact that this little agency—which strives to present a bare bones budget—is coming in with a request many times higher than that for fiscal year 1981.

Our fiscal year 1982 budget request totals $15,061,000. Additionally, a $57,000 pay supplemental increase for fiscal year 1981 is included in our proposal for your consideration.

You rightly ask: Why is the Commission seeking a $15,061,000 appropriation for fiscal year 1982 when its fiscal year 1981 budget was $2,680,000?

The answer is simply this: Of the $12,381,000 increase, $12,122,000 is for additional money to buy the houses being selected by the Navajo and Hopi families relocating their residence from lands partitioned to the other tribe. Another $1 million is for bonus payments to which the relocating families are entitled during this period of voluntary relocation.

The Commission has consistently tried to be up front with the Congress. We have pointed out repeatedly that the $31.5 million authorized in 1974 to buy houses and the $20,612,000 appropriated to date will not meet the need. Much of the reason is inflation. The original act of 1974 set the maximum housing benefits at $17,500 for a family of three or less and $25,000 for a family of four or more. In consultation with HUD, which has a formula system for establishing costs, the Commission has been forced over the years to steadily raise the maximum allowable housing benefit. Today it is $44,800 for a family of three or less and $66,000 for a family of four or more.

As for the bonus payments, our current authorization is $5.5 million and we have thus far been appropriated $2.5 million. You will note that our request for funds in this category for fiscal year 1982 is $1 million. Our original enabling legislation provided for a $5,000 incentive bonus payment for families volunteering to relocate during

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the first few years of the program. The bonus payments will begin to decrease by $1,000 annually, 1 year from the effective date of the report and plan's acceptance by Congress. Based upon the estimated total number of relocations projected for this program, we will probably need to seek a reauthorization in fiscal year 1984 or 1985.

Since the Commission's last appearance before this committee, significant progress has been made in the administration of our program and in the execution of our most sensitive responsibilities.

Public Law 96-305, the Navajo and Hopi Indian Relocation Amendments Act of 1980, was enacted last summer. This legislation assigned several new authorities and responsibilities to our Commission. We are now authorized to involve ourselves in a consultant capacity with the Navajo Tribe in the selection and acquisition of 400,000 acres of land for use in the resettlement or otherwise to the benefit of displaced Navajo Indian families from the former joint use area. This particular activity accounts for a significant dollar increase in our budget request. Additionally, the Commission has been authorized to administer a program of discretionary funds to assist and facilitate relocation programing. A program of life estate grants will also be a significant undertaking during fiscal year 1982.

The original act, Public Law 93-531, ordered presentation of a comprehensive report and plan to Congress. Deadline for submission is April 18, 1981. Finalizing this document has been the most significant activity within our agency during the past several months. We hope that the information contained in this document will assist the Congress and the executive branch in determining measures that should be taken to provide for a final settlement and resolution of this 100 year old problem.

Preparation of this document has been a most difficult task. It has been necessary for our agency to develop recommendations under difficult and trying circumstances. Essentially, we have tried to consult with both the Navajo and Hopi Indian Tribes and with individual groups on the reservation to prepare an objective analysis of the services and assistance that will be necessary to provide the families with viable relocation options.

I would urge this committee to examine our report and plan with the closest scrutiny possible. I am sure you can appreciate the sensitivities and complexities involved in this type of program. Some of our most significant problems center around the fact that actual relocation sites on new lands or on the existing Navajo Reservation have not been identified as yet, except for scattered 1 acre homesites. Additionally, many of the services that will be necessary from other Federal agencies have been difficult to estimate due to the difficulty in projecting population density in specific resettlement areas. When the document is actually delivered in April, my colleagues on the Commission and I will welcome the opportunity to appear before this committee and other congressional committees to discuss these important matters.

As noted earlier, the significant dollar increase in the fiscal year 1982 budget over the previous fiscal period is being directed toward the operation of the voluntary relocation effort. During fiscal year 1982 we estimate that we will be able to relocate an additional 160 families. That number of families will make a total of almost 550 families relocated since this activity started in late fiscal year 1977. Our last estimate is that a total of 1,540 families will be relocating. Additional authorizing legislation for relocation assistance payments will be introduced to Congress very shortly. Further authorizations will be considered after the report and plan has been submitted. Associated with the process of relocation is a comprehensive eligibility certification process and thorough advisory assistance counseling. Our agency has entered into formal agreements with both the Navajo and Hopi Tribes for on-reservation services and assistance to relocate families. The results of these efforts have been promising. It is our hope that we will receive the necessary resources to continue these and numerous other efforts. We respectfully request your consideration of these financial proposals.

Thank you very much.

BUDGET REQUEST

Mr. LEWIS. The other two commissioners, we thought in order to preserve travel funds and expectation of having to come back later—we decided to break up our trips. I hope that is acceptable.

Basically, as you indicated, our fiscal year 1982 budget request is in the amount of $15,061,000. Of that amount, $11.7 million is for addi-

tional appropriations to provide the houses required by the families relocated from the former joint use area in northern Arizona. Another $1 million is sought for the incentive bonus payments required by the act. For the advisory services assistance activities, $422,000 is provided to those families moving; both before and after they relocate. We have $335,000 budgeted for the land selection activites, which were provided for in the Public Law 96-305.

Of the $335,000, we anticipate about $285,000 will be contracted out to such Federal agencies as the U.S. Geological Survey, Indian Health Service, other Federal entities. For agency operations, $1.1 million. And finally, $500,000 is the amount requested for discretionary funds authorized in the 1980 Amendments Act to Public Law 93-531.

Mr. Chairman, would it be helpful if we were to post a map of this disputed area in Arizona, in case there is reference to it during the hearing?

Senator McCLURE. You may if you wish. I am familiar with it.

CURRENT STATUS OF PROGRAM

Mr. LEWIS. The report and plan provided for by the basic legislation will be submitted to you by April 18. Meanwhile, the voluntary relocation program, which is our other primary function is proceeding. We will have relocated about 300 families by the end of February 1981. By the end of fiscal year 1981, we will have relocated an estimated 375 total families, since we began in 1977.

In this budget for fiscal year 1982, we anticipate moving an additional 160 families. That would bring us, by the end of fiscal year 1982, to a total of 525 families. We will have to move, thereafter, 200 families per year for each of the next 5 years, in order to accomplish the mission set for us by the Congress.

The Congress has said that, by 5 years after acceptance of report and plan, the Indian persons, Navajo and Hopi, who are currently living on land which has been awarded to the other tribes must be relocated. I will conclude here and be ready for questions.

Thank you, sir.

Senator McCLURE. I hope that the other commissioners stayed home in the spirit of budgetary restraint.

Mr. LEWIS. It definitely was.

BUDGET REQUEST

Senator McCLURE. And it's also a better time to stay there than to come to Washington.

The justification states that while only $2.6 million was appropriated for fiscal 1981, the Commission has an additional $7.9 million in funds carried over from prior fiscal years. What is your anticipated carry-over balance into fiscal 1982?

Mr. LEWIS. I don't believe we will have any carry-over balances. Will we, Steve? The housing money requested in this submission is basically because we have run out, or are running out, of appropriations for housing by the end of fiscal year 1981.

Senator McCLURE. You won't have any carryover at all this year?

Mr. GOODRICH. Senator McClure, we will probably have between $250,000 and $300,000 in unobligated balances that will be carried into fiscal 1982. The reason for that is, at any given time in our program, there are relocation cases in process, or houses that are halfway completed that we don't have the entire housing contract expended yet.

FISCAL YEAR 1981 PAY SUPPLEMENTAL

Senator MCCLURE. Could you absorb the $57,000 pay supplemental increase?

Mr. GOODRICH. If I were asked directly to give you an area where the amount could be absorbed, that would probably be it, due to the balance itself.

Senator MCCLURE. I understand that you can't budget to the last penny, nor can you predict to the last penny exactly how much will be expended on one date. I don't ask you to be able to predict to the precise penny exactly what might be expended on a date, but I would hope that with the kind of carryover you are dealing with you might be able to absorb that pay supplemental.

What portion of the increase in your budget is directly attributable to the passage of Public Law 96-305, which expanded authorizations and increased your responsibilities?

Mr. LEWIS. The $335,000 for land selection activities, is attributable.

LAND SELECTION

The $500,000 in discretionary funds came out of that same legislation, sir, last year. As I say, of the $335,000 which we anticipate spending for land acquisition activities, much of that will be folded back, as it were, into the Federal budget, because we anticipate contracting much of this for soils surveys and water surveys.

Senator MCCLURE. Why can't you use the surveys already in existence?

Mr. LEWIS. The Geological Survey tells us they do not have detailed information. For example, water analysis, of much of the land which may be selected in that part of Arizona may not be available.

Senator MCCLURE. People have only been living on it for centuries, and still we don't know anything about it?

Mr. LEWIS. In the earlier days of the Commission, before I joined, there was a proposal, for example, for some test well drilling on some of the land near the Navajo reservation.

Senator MCCLURE. That is not soil surveys?

Mr. LEWIS. No; I'm sorry. Only the water. If a site is selected by the Navajo Tribe as part of their 250,000 acres of public lands which they will get free, or the 150,000 acres of the private land they are authorized to buy, I assume our people, if we were to relocate a community, for example, there, I assume that our people will have to know what is the porosity, what is the septic tank possibilities there, what will be the grazing capacity of that land.

Senator MCCLURE. BLM doesn't have any information? The Soil Conservation Survey doesn't have any information?

Mr. BERGER. Senator, it is a matter, a degree of the finite planning

that will be necessary for using the land for development. Much of the land that we are considering right at the moment has been primarily used for agricultural grazing. Were we to go in and to start developing in terms of housing and this type of thing, more finite planning would be necessary.

You are correct, there are some excellent soil surveys in the area. Our major concern is going to be water development problems.

Senator McCLURE. But you indicated in the justification that you're going to do soil surveys. And the question is, I know planners like to plan and engineers like to engineer, and soil scientists like to sample soils. I thought our concern was the Indians.

I thought our concern was to make sure that they got relocated correctly, and not simply provide appointment to a whole host of people who would provide the infrastructure for the move.

Mr. LEWIS. One of the questions that arose at a meeting early in February in Flagstaff, we had the BLM people in from New Mexico and Arizona, the BIA, the Navajo Tribe, and the Commission—discussed the beginning of land selection.

One of the questions that arose was that, the Navajo tribe wanted to know what lies under some of these lands in the way of minerals. It appears that we may get into a request for some rather definitive mineral studies. And the BLM indicated at that time, at that meeting, that they do not have——

Senator McCLURE. I don't believe that Congress got into the question of minerals at all. I think the land exchange that was set upon in the congressional act was a question of location of the surface values of those lands, and the relocation of people who lived upon them.

Now if they want us to go out and survey all of the BLM lands, so they can find out where all the minerals are, so they can make that selection, they are whistling Dixie, and I would hope the Commission isn't falling for that kind of a notion.

Mr. LEWIS. The primary responsibility for the first 3 years for land selection rests with the tribe, in consultation with the Commission.

Senator McCLURE. Let them go make the selection. If they want to do the surveys for minerals, and they want to do their guessing for minerals, let them do it. We can't prevent them, and I wouldn't attempt to prevent them from doing that. But for us to provide the means by which they can go out and determine how best to raid the Federal lands, certainly, is not within the scope of the intention of this enactment.

Now, certainly, we have to make sure that if we are going to relocate a community, that there is enough water there for that community. It would be ridiculous for us not to do that. If we are going to make exchanges, certainly there are basic considerations that must be taken into account. Certainly from the standpoint of the Federal Government, we will want to know something about that, but that is outside of the scope of the Commission's responsibilities, to make the determination, as I see it.

Mr. LEWIS. Yes, sir. I think that one of the initial areas being reviewed at this time is private land which the owner is anxious to have the tribe acquire. The real estate firm representing this particular parcel

has offered to undertake, without cost to the Government, or the tribe, the acquisition of this through land exchange. So I am anticipating that pattern may be followed in some of the acquisitions of private land.

I agree that our role is limited. We are trying to expedite the land selection process so that we have someplace to move the traditional people living out in the former joint use area.

Senator McCLURE. I want to see that move take place. I supported the legislation. I want to be fair to the peoples on both sides of that exchange; to make certain that it is done in fairness. But I come from a Western State, too. I have dealt with the BLM all of my life. If you get them involved in the planning process, you won't have these people moved in 5 years. You won't have the study started in 5 years. And if you get the BIA involved, it will be 10 times that time. The people you are trying to move will be dead and in their graves.

Mr. LEWIS. No comment.

[Laughter.]

Senator McCLURE. Studies are fine. I know how difficult it is when you are trying to avoid the administrative appeals and the lawsuits that are flowing from decisions not well founded. I don't mean to be unduly critical of what you are attempting to do, but I don't know how many times we have gotten into the question of how much must something be studied before we decide. I think the good Lord had a good idea in the reproduction of the human species that we really didn't study all that much before we put in the orders, or the human population would have dwindled. So much for that.

ADMINISTRATION BUDGET REDUCTIONS

Have we any indications that your budget may be revised as a result of the new administration's review of all of the 1982 budget submissions?

Mr. LEWIS. We have received nothing official. Mr. Goodrich, you were back here earlier this week. Have you heard anything from OMB on that?

Mr. GOODRICH. Senator McClure, as far as we know right now, other than the standard cuts that all Government agencies have had to absorb in travel and consultant services, so far so good. We are not targeted for any reduction that we know as yet, and that is according to our examiner at OMB.

PERSONNEL CEILING

Senator McCLURE. In fiscal 1980, the Commission had a staff of 23. The request for fiscal 1982 is 40 full-time and 10 temporary positions. This represents an increase of almost 75 percent in full-time employees. While there is no question that you will need some personnel to carry out your duties, why do you need so many more people, and do you plan to continue staff growth in the coming years?

Mr. LEWIS. No, sir. We don't plan to continue staff growth. The report and plan which will be submitted in April to the Congress is a process-oriented one. We do not yet have any specific sites for communities on the Navajo Reservation, nor do we have sites on the new lands which have not been acquired. We will have considerable plan-

ning activities take place on the utilization of those lands, and under the legislation, the responsibility for administering the new lands until such time as they go into trust for the tribe. We are a temporary agency.

We are not, believe me, engaging in empire building. We look to the BIA and the other appropriate agencies in the sphere of Federal coordination, because they are going to have to carry on after we are gone. The legislation anticipates the relocation on the 1882 reservation area being completed in 5 years. As you are aware, sir, to the west of the 1882 area, is the 1934 treaty dispute, which is currently in litigation between the Navajo and Hopi.

Now whether there will be or what will be the division, whether there will be any relocation in that area, we don't know, but I assure you that we think in terms of being a temporary agency, a sunset agency. We will attempt, wherever possible, to utilize existing Federal agencies in a coordination effort. As an example, the Appropriations Committee recently ordered the BIA in conjunction with the IHS to do a needs assessment study of the long-neglected former joint use area. We have already contacted Interior. We want to be involved in that study, to take advantage of the mechanism that they are building, to report back to the committee on the needs of that former joint use area. We are going to strive for an absolute minimum of duplication of the work that should be done by the other agencies.

Senator MCCLURE. Does the increase in full-time employees contemplate contracting out services, such as the soil samples, the underground water, and so on?

Mr. LEWIS. Mr. Goodrich, would you respond in more detail to that?

Mr. GOODRICH. Yes, sir. Senator McClure, can we go back to your original question on the personnel increases? I would like to make this point for clarity, if I could. We had a request pending with the Office of Management and Budget for about the last 1½ years, which we got a decision on this past August 1980, for an increase in our permanent personnel ceiling. The reason for their delay in granting the ceiling increase is because they, like everyone else associated with this program, were waiting to see what would happen with the new legislaton; if new legislation would pass.

In the last 3 years, we have received over 2,700 applications from families wanting to voluntarily relocate. So this past August, OMB increased our permanent ceiling from 23 to 34 positions. We also received two additional temporary positions. Most of these personnel are assigned to the relocation services program. The positions are actually involved in moving the families or assisting them during their moves. There is a net gain of four positions requested in fiscal 1982. These positions are requested primarily as a result of the new legislation that passed last summer.

It seems to us, considering land acquisition, the ongoing planning that will be necessary for the people actually moving onto the land and the increase in the volume of relocations, the personnel increase is fairly minimal. We have tried to go to other Federal agencies that have expertise that we don't possess. We are limited in what we can do. So whenever possible, we go to agencies who are in the business or who have

the needed expertise and negotiate contracts or reimbursable agreements for their services. We do not want to build a large staff. We're only going to be in business another 5 years, and we have 1,000 more families to move.

There are some complexities in getting those people moved.

Senator McCLURE. There's no question that there is complexity. What was the personnel request that you made?

Mr. GOODRICH. The original personnel request—are you referring to fiscal 1982 or the one we had pending?

Senator McCLURE. Both.

Mr. GOODRICH. In June 1979, we requested an increase of 17 permanent positions and 5 temporary positions.

Senator McCLURE. Which would have given you what? Thirty-seven and 10?

Mr. GOODRICH. Forty permanent positions and 13 temporary.

Senator McCLURE. Yes.

Mr. GOODRICH. In June 1979, the legislation was in its early stages of contemplation—negotiation in the Congress, and they waited to see what new authorities——

Senator McCLURE. What was your request for the current budget?

Mr. GOODRICH. For fiscal 1982, we requested 11 new permanent positions and 5 new temporary positions. We received a net gain of four.

Senator McCLURE. Net gain in the combination of the two?

Mr. GOODRICH. In the combination of the two. Actually, what happened, we had a decrease of 2 positions in the temporary ceiling that OMB passed for fiscal 1982 and an increase in the permanent positions from 34 to 40. So we had a net gain of four.

EXPENSES OF THE COMMISSIONERS

Senator McCLURE. Three commissioners are supposed to serve on a part-time basis. The $80,000 request for salaries and travel comes out to over $23,000 each. How much time on the average do the commissioners spend on relocation work?

Mr. LEWIS. I think there is a compilation of the hours for the past fiscal year, that should be entered in the record. Let me say one thing, sir. Before I came on the Commission, I knew something about the Commission activities. I was struck by the fact that the commissioners seemed to put in a lot of hours, because the original legislation apparently envisioned them being part-time. I can understand more fully why this was so. The request has come from, for example, the Navajo chapters, that they want to have a commissioner—commissioners at their meetings. They are not satisfied to have just staff there, even though the staff is probably more knowledgeable than the commissioners. We have participated in a great number of public hearings and meetings at the chapters, and it builds up the hours.

Myself, I put in a lot more hours in recent months than I ever anticipated in assisting in the preparation of this report and plan. My remuneration in calendar year 1980, for the record, was $14,692. I draw less than the other commissioners, because I'm a Federal annuitant and that amount is deducted. So I am not, in essence, double-dipping. However, on that point, sir, our agency gets an amount in excess of what I

am paid. So in the budget process, the figure goes up. And of course, that extra money goes into the retirement fund rather than to us.

Senator McCLURE. I am intrigued that the Government charges your commission more than you are paid. How does that happen?

Mr. LEWIS. Steve, you want to explain this?

[Laughter.]

Senator McCLURE. Is it worth finding out?

Mr. LEWIS. Mr. Chairman, I guess it was an attempt some years ago to prevent the agencies from hiring Federal retirees, so an agency could go out and hire a number of Federal retirees and get more people for the same dollars.

Senator McCLURE. It is a deliberate penalty?

Mr. LEWIS. Yes.

Senator McCLURE. You indicated that you could give me a composite of the hours spent by the commissioners.

Mr. GOODRICH. I can provide that for the record, or I can give it to you right now, Senator.

Senator McCLURE. Give it right now, if you have it.

Mr. LEWIS. I live in Flagstaff, which is our headquarters. The other two commissioners live in Phoenix. I am closer to the office. It is easier for me to come over and respond to the crises.

Mr. GOODRICH. During fiscal 1980, Commissioner Atkinson worked a total of 84 days with a salary disbursement of $16,128. He had travel claims totalling $4,081, for a total of $20,210.

Commissioner Lewis worked 115 days for a total salary disbursement of $21,515, of which $8,200 was disbursed into the civil service retirement fund on his behalf. In the travel area, Commissioner Lewis, his claims were less because he lives in Flagstaff, where headquarters are, $2,744, for a total of $24,260.

Commissioner Massetto worked 78 days during the fiscal year for a total of $15,022. Her travel claims were $6,848 for a total of $18,671. Total FICA payments were $3,528.

The total expenses of the Commission members and the immediate office of the Commissioners was $66,669.

Senator McCLURE. The total expenditures during the last year for travel and pay was $63,000?

Mr. GOODRICH. No, sir. $66,669.

Senator McCLURE. I was adding up $20,210, $24,260 and $18,671; is that correct?

Mr. GOODRICH. My totals are $20,210 for Commissioner Atkinson—$20,210 for Commissioner Atkinson. For Commissioner Lewis, the total was $24,260, and for Commissioner Massetto was $18,671. So rounded, it is about $66,670. That includes FICA payments for all three individuals.

Senator McCLURE. I didn't round it. I just added it. I won't quarrel with you over a couple of thousand dollars, but is it anticipated that the work will be more burdensome, you will spend more time on it in the next year?

Mr. LEWIS. I hope not, but I fear so. I think the land selection process is going to require us to meet very frequently with Navajo tribe officials. The report and plan is completed, but as you know, the legislation

requires us to submit in September the first report on the land selection process. So where we are in the land selection, the legislation also requires us—in essence, to step up our Federal coordination role.

Incidentally, we imposed on our own last October, sir, a temporary salary ceiling on five of our department heads, and I am probably not overwhelmingly popular right now. What we did, was our executive director is already under the congressional ceiling. We moved the ceiling down to include the other five department heads, in an effort to maintain control over the cost of the Commission.

ECONOMIC DEVELOPMENT AND PLANNING

Senator McCLURE. The major task of the economic development and program planning staff, which is the preparation of the report and plan which will be submitted to Congress in April, will be completed this fiscal year. The request shows a decrease in this activity of $126,000, but page 16 of the justification states that additional resources will be available through the use of 1982 carryover funds. How much will be carried over in this area?

Mr. GOODRICH. Senator, the only carryover funds that we have are in the bonus category, the housing acquisition category, and in the advisory assistance services. I am looking at page 16 of the justification and I don't see——

Senator McCLURE. The upper paragraph, upper half of the page, right-hand side, the second sentence of the explanation.

Mr. GOODRICH. I see what you mean.

Senator McCLURE. Funds remaining from fiscal year 1981 base level will be necessary, et cetera. Well, if funds will be necessary, I assume—you assume the funds will be available.

Mr. GOODRICH. Under the zero-base format, when you are talking about the 1981 base, the zero-base format assumes that you carry the same base forward. We actually had $126,000 decrease. The funds are not *x* funds. I don't want to confuse that with construction funds or something like that carryover. The funds that we are requesting for this particular activity, it is an annual budget activity. It is not a carryover balance.

Senator McCLURE. Both my staff and I, we felt it whiz by but we didn't really see it.

Mr. GOODRICH. These are annual funds I am talking about. The base for fiscal year 1981 was $261,000. We show a decrease in the new fiscal year of $126,000, which gets down to about $135,000.

The zero-base format that Federal agencies use has a provision in it, when you are talking about your budget activity going from one fiscal year into the next fiscal year, you call your base from the prior year the current year base. We are really talking about fiscal 1982, or the track from fiscal 1981 into fiscal 1982.

It seems, if you are used to dealing with construction accounts, you are talking about a carryover, an unobligated balance. I am as confused sometimes by the format as Ms. Richardson is. But it is on an annual basis. It is not a carryover fund. Why they refer to it as the fiscal year 1981 base is confusing. It is annualized, not to be confused with an *x* account budget activity.

Senator McCLURE. I think we have a sufficient understanding. What you are really saying is that the $135,000 is still necessary.

Mr. GOODRICH. Yes, sir.

Senator McCLURE. Whether it is new money or carryover, that amount of money is necessary.

Mr. GOODRICH. Yes, sir.

Senator McCLURE. Why do you need the same number of staff for this office once the report and plan has been completed?

Mr. GOODRICH. There are three permanent positions and one full-time temporary position in that office. Two planners; one a physical planner; one is a facilities planner. A secretarial position and a graphics artist position.

All of these personnel provide support services to other offices within the agency. We publish a monthly program update and numerous other reports. We try to coordinate the written activities for public dissemination through this office.

The decrease is in our planning contract authority.

Senator McCLURE. The economic development programing staff will continue after the report is finished. The only reduction in personnel will come in the contract services?

Mr. GOODRICH. That is correct, sir.

Senator McCLURE. How much did you have in terms of contract services as compared to permanent and temporary staff?

Mr. GOODRICH. In fiscal 1981 we anticipate obligations of $151,000 in other services which will include contracts, cooperative agreements with other Federal agencies, and contractural services that we might go out into the economy to acquire. There is a $16,000 offsetting increase in personnel costs. This is for normal salary escalations, in-grade increases.

Senator McCLURE. About two-thirds of your activity has been other than salary, if I look at line item 11 and 25. That is not quite fair, because you have benefits that need to be aggregated. So it would be $91,000 against $151,000.

Mr. GOODRICH. That is correct, sir.

Senator McCLURE. The $91,000 rises to $109,000, and the $151,000 is decreased to $16,000, even though the report and plan has been completed.

Mr. GOODRICH. That is correct, sir.

May I make a point, Senator?

Senator McCLURE. Yes, sir.

Mr. GOODRICH. Once the report and plan is submitted, and if it is accepted by this committee and the other committees with jurisdiction to accept or reject, there is going to be some rather extensive coordination with other agencies within the Federal community to actually deliver the services, to implement the report and plan, those recommendations that we propose to the Congress in the document itself.

The four people who are in this activity will probably assume a great part of the Federal coordination responsibilities, working with Indian Health Service, Geological Survey, Bureau of Indian Affairs, and the other agencies that are necessarily involved in the delivery of services.

As I am sure committee staff has noted, we don't have significant program funds other than the housing acquisition and the bonus funds

which are continuing. But as far as delivering services to implement recommendations in the report and plan, that will remain with other agencies in the Federal community who have statutory authority.

LAND SELECTION

Senator McCLURE. The budget includes as a new activity land selection process with a request of $335,000. Was this work previously carried out within the planning and technical services?

Mr. GOODRICH. Much of the survey work we have done in northern Arizona on lands that might be available through BLM. There is a checkerboard effect. All of the land is not contiguous. The chances of finding 250,000 acres in a block runs from slim to none at all. The funds we are requesting for land acquisition, which this year, as a result of the legislation, become an altogether new activity, much of the spadework or earlier work in terms of trying to identify the land and settle ownership or permit holders for this BLM land has been done by our physical planners and also the realty staff.

Senator McCLURE. The justification indicates that no funds have been spent to date on land selection.

Mr. GOODRICH. Let me try to answer this way. We have several concentrations that we would refer to relocation sites. Winslow, Ariz., is a good example. Holbrook, Ariz., is a good example, and Flagstaff certainly is probably the heaviest impacted area so far.

It is impossible to buy property, which we do in the relocation process, without getting pretty familiar with the other area that is around the property. So as a matter of course, if we have a real estate specialist on our staff looking for an acre or two to build a house on for a relocatee who is coming off the reservation, he is going to be looking at the titles and permit holders for land that is contiguous or adjacent to that.

What we have done essentially is create a library or a data base of what is available, who the permit holders are; if it is public land, State land, private land.

So in the normal course of activities that we are already doing, we pick up other information.

Senator McCLURE. Is it possible for you to estimate how much of the activity you have done in the past, up to date, has had that kind of a direct expenditure for land selection activities? Is it a discrete amount that could be broken out?

Mr. LEWIS. Sir, during the legislative activities leading up to the amendments of 1980, the Commission was asked to provide the House Interior Committee with an analysis of land.

At one point there was even consideration being made to putting in the bill some specific targetted areas that would be acquired by such-and-such fiscal year. That was later dropped.

Much of Mr. Berger's time during that legislative process, and that of our real estate director, was spent in doing that.

Now, I suppose we could break some of that out.

Mr. BERGER. I think we could. It would be rather difficult——

Senator McCLURE. I don't want you to spend a lot of time trying to do something that would really be such a conjectural figure that it would be useless to us. But on the other hand, if it is something that you can do, it might be helpful.

Mr. BERGER. With our agency we are very fortunate in this regard, with the people we have. We have been able to utilize the various talents in a whole variety of functions.

The realty staff people have been involved in some of the gross type of land identification. As the process moves further, of course, we are going to have to become much more finite in our planning.

In regard to the economic planning staff, I would like to make one comment, if I might. That is, with the new legislation you also see that our reporting requirements to the Congress have been increased, and they will have to be much more detailed.

Senator MCCLURE. The legislation authorized the transfer of 250,000 acres of BLM lands. In your discussions with them have they given you any idea of whether or not those lands are available? Or are they professing that they just don't have enough?

Mr. LEWIS. At our meeting in Flagstaff, they indicated that within the 18-mile limit, one border of the acquired BLM land has to be within 18 miles of the existing reservation. I believe it was 52,000 acres that might be considered.

They indicated that the process of selection is relatively simple. The act eliminates the need for the National Environmental Policy Act. So they said that if the tribe selected a section within the geographic limits that this could be done very readily.

Land exchanges, on the other hand, are very, very time consuming, maybe 3 or 4 years.

Senator MCCLURE. Time consuming. Why?

Mr. LEWIS. I suppose part of it is the necessity to get the needed appraisals. Now whether or not a private entrepreneur who devoted his whole time to a specific exchange might be able to expedite the process, I would hope so.

Senator MCCLURE. If you are correct, one-fifth of the land was supposed to be acquired by exchange, to be acquired in less than 3 years.

Mr. LEWIS. I would think so; yes, sir.

The other factor involved, there is a lot of State land up there. We are going to have to have a preliminary meeting with the State land department.

Senator MCCLURE. And if you are correct, you will be out of business in 5 years.

Mr. LEWIS. We will proceed as if we were—I don't want to offend the tribe. But we have to proceed as if we are going to do the land selecting, that the 3 years will pass, and then the primary responsibility will go to us. We are not going to wait 3 years to get ready. So we will be engaging in looking at activities and acquainting the relocatees' families with possibilities, so that when we assume the leadership role, we will be ready to go.

Senator MCCLURE. I am not an engineer, but over the years I have assimilated a little bit of engineering jargon that has been transferred into social planning as well as into engineering planning, a critical path. The critical path here would seem to me to have been identified already as BLM and in their exchange authority to acquire the 250,000 acres or the 200,000 acres that might be necessary to complete that exchange. Am I correct?

Mr. LEWIS. Yes, sir; as far as I know.

LIFE ESTATES

Senator MCCLURE. Establishment of the life estate is authorized for families who cannot be relocated from the joint use area. What are the eligibility criteria for receiving the life estate?

Mr. LEWIS. The act requires that they be at least 50 percent disabled, at least 49 years old. The top priority is for the disabled. Now disabled need not be 49. The age is 49 if you are not disabled. Then they are going on the age criteria.

Senator MCCLURE. It is either or.

Mr. LEWIS. Yes, sir.

As you know, there is a temporary freeze on final regulations. We have asked the Office of Management and Budget to provide for a waiver so that we can publish the final regulations. Under the act, we are supposed to be receiving these applications for life estates by April 1.

We have an outreach program going on. That is another word the social planners use. An outreach going on to acquaint the potential life estate applicants with what the provisions are. And I assume we will be proceeding with taking life estate applications, whether the final regulations are finalized through publication in the Federal Register.

There is also provision in the act for a 180-day extension of the application period, which we anticipate doing on a case-by-case basis.

Senator MCCLURE. When did you request a waiver of the temporary freeze?

Mr. LEWIS. It went out on Monday, sir.

Senator MCCLURE. Of this week?

Mr. LEWIS. Yes, sir.

Senator MCCLURE. Families will receive grants under a life estate. What will be the average annual payment to a family?

Mr. LEWIS. You mean through general assistance or some other program? We do not have a payment in our program.

Mr. GOODRICH. Senator, we have no funds requested. We don't anticipate any requests before the Appropriations Committee for relocation assistance payments to these families.

I understand the Bureau of Indian Affairs will have a supplemental appropriation for fiscal year 1981 before you and your counterpart in the House this fiscal year for the costs that are involved in fencing the life estates, surveying them, livestock feed subsidies, and continuing services they will need from the Bureau of Indian Affairs.

We contemplate no financial request from this committee.

Senator MCCLURE. That will be totally BIA?

Mr. GOODRICH. Yes, sir.

Senator MCCLURE. The Commission is to complete an assessment of services required for those families receiving grants from submitted proposals by the Secretary of the Interior. Do you foresee that the Bureau of Indian Affairs and the Indian Health Services will have to establish new programs as a result of your assessment?

Mr. GOODRICH. It is my understanding, from meetings I have attended with staff at the Bureau of Indian Affairs that they don't have a

real specific forecast, because it is hard to forecast how many life estates are going to be applied for. They are going on the assumption that the services that the families are now receiving, whether it is general assistance, livestock feed subsidies, food commodities, or otherwise, will more than likely continue.

If anything at all, logic tells me that the livestock feed subsidy costs will increase. The fencing costs will increase. They will have a smaller acreage to maintain livestock.

Senator MCCLURE. The Commission is not required to make that assessment of services needed.

Mr. GOODRICH. What we envision is using information that we have probably already gathered in our enumeration process and our outreach process. We work in the field all the time, as does the Bureau of Indian Affairs. We will try to give the Bureau of Indian Affairs a fair assessment of the families' physical handicap requirements or the services that they need from other agencies.

At this time, I think it would be premature of us, and probably pretty difficult for the Bureau of Indian Affairs or Indian Health Service, either one, to give you some real specific cost figures because we don't know how many people are going to apply for life estates.

Senator MCCLURE. I would agree with you, that it is difficult. I would also agree that logic would seem to indicate there would be some increase at least in the livestock feeding program. That is one of the reasons, as I recall, from discussions in past statutes, why we required that the Commission make such an assessment, so we would have your independent assessment of what this activity was going to cost in terms of increased service requirements, if at all.

Mr. BERGER. If I may, the Commission recognizes its general role with the increased responsibilities of coordination which were given to us in the amendments and we certainly will be monitoring the progress of these families that will be receiving life estates. Yet it's something that we can't simply walk away after we have designated geographical areas.

Senator MCCLURE. Nor should we, but I get some disturbing preliminary signs that indicate there will be a tremendous expansion in cost of services rendered to these people, or that that is being anticipated or planned for.

Mr. BERGER. As Commissioner Lewis indicated earlier, your committee has requested both the Bureau and the Indian Health Service to provide a general-needs assessment of the former joint use area and the comment is that we will be monitoring this. We want to look at that very closely, and we will have our comments about that.

Senator MCCLURE. I couldn't help but concur in the statement that was made earlier that in general continuation of a level of some services seems to be adequate. Logic might indicate preliminary judgments that the cost of other services might rise. I would also guess that there would be those that urge a great deal of services with this act as a justification. That is what Congress was implying when we said that we want these people that are left behind in life estates, to be adequately cared for. We don't expect this to become an open fund available for whatever somebody might dream up in terms of justification for ex-

tended payments. I think you do have the responsibility. I appreciate the fact that you are sensitive to it. I liked your preliminary comments in particular that indicates the continuation of current services probably in the main is adequate. I would expect that we will look at it in that light and I hope that you will look at it in that light as you continue to monitor it. Do you have any estimate at all how many families will be eligible for life estates?

Mr. LEWIS. The act, of course, limits the Navajo to 120 and the Hopi to 10. The applications will start coming in within the next 2 or 3 weeks. It is anybody's guess. As you know, the applicant for life estates, if he or she is successful in obtaining a life estate, does not forfeit his ultimate right if he chooses to give up the life estate to relocation. The life estates issue has been very difficult to deal with because of the Navajo concept; they don't want to talk about it. They have no phraseology for life estates. The tendency is not to think about the end of their life estate. I don't know, sir, I can't anticipate how many applications we are going to get.

Senator MCCLURE. Did I understand you to indicate that the guarantee for life estates, the people who qualify for life estates can then change their mind later?

Mr. LEWIS. Yes, sir. Would you elaborate on that, Leon?

Senator MCCLURE. Is there no limit on that time?

Mr. BERGER. As I recall, sir, no.

Senator MCCLURE. Then your Commission has a life expectancy far beyond the 5 years.

Mr. BERGER. I'm sorry, Senator, but the responsibility for relocation after the Commission, I believe, would become that of the Secretary of the Interior. I think what we would like to emphasize, however, is that the option for applying and receiving the life estate does have a deadline. That deadline, other than this minor problem which we may have getting our regulations finalized, will be honored, and it is incumbent upon us to convey adequately to the people in the area either you want a life estate or your don't. And there is a short period of time for you to apply and receive same, and after that time is up, no life estates will be granted.

Senator MCCLURE. There is secretarial discretion to adapt to changing or hardship circumstances. The opportunity for them to change that status if they do name the selection of the life estate option and later wish to change their minds.

Mr. BERGER. If they later wish to change their minds then they apply to the Secretary for relocation; yes, sir.

RELOCATION OPERATIONS

Senator MCCLURE. The bulk of the increase in your request of $11.6 million is for relocation operations and advisory services. Prior to the passage of the 1980 amendments there was authorization ceiling of $5.5 million for assistance payments and $31.5 million for relocation expenses. What are the new authorized ceilings?

Mr. LEWIS. The ceilings are still the same, $31.5 for the housing and the assistance services and $5.5 million for the bonus payment. Mr. Goodrich has talked to the Congressional Budget Office and to OMB about the submission of a new authorization level for housing.

Mr. GOODRICH. Senator McClure, the funds we are requesting in the two categories you mentioned; the incentive bonus payments, and the housing acquisition funds. They are what we refer to as relocation assistance payments. The current authorizations that we have, the $5.5 million, $31.5 million, respectively, are sufficient to handle this year's requests, the fiscal 1982 request. OMB is waiting until the report and plan is submitted, as is the Congress, before they give serious consideration to a long-term reauthorization.

There will be, based on our estimates that are in the report and plan now, reauthorizations needed in both categories. It is my understanding that OMB has already or is in the process of forwarding a reauthorization request, and I believe the amount is $18 million to Congress, to take care of what we will probably request in fiscal 1983.

Our fiscal 1982 request in both categories are within the current authorization.

Senator MCCLURE. There has been a limit of $500 on the amount you can pay a family for search and moving expenses. The justification estimates that this will cost $818 per family next year. Has this ceiling been lifted?

Mr. GOODRICH. Actually we are talking about two categories. One is a $500 stipend which takes care of moving household goods. The other is much like our own Federal per diem. The cost that the family incurs looking for a new house or a new residence. The only regulation we have right now is the $500 limitation on moving household goods. That is consistent with our regulations. For budget purposes we put them together on a single line item.

Senator MCCLURE. As I look at your justification, you have $818 in search and moving expenses and an additional $529 for miscellaneous expenses. That is a long ways away from the $500.

Mr. GOODRICH. The $500 limitation is a regulatory limitation that we place on what we will reimburse the family for moving their household goods from their residence on the reservation either to another location on the reservation or off reservation.

Senator MCCLURE. That's just moving expense alone.

Mr. GOODRICH. Yes: I see why committee staff might have some problem with it. The search expenses are the expenses that a family would incur in looking for a house. The miscellaneous expense estimate of $529 has been a fairly consistent average for the last 14 or 15 months on closing costs, incidental expenses that we pay associated with the relocation acquisition process.

Senator MCCLURE. That is not a payment to the family?

Mr. GOODRICH. No. sir.

Senator MCCLURE. I have further questions to submit, but that would do for now.

The average housing benefit cost has increased from $33,000 in fiscal 1979 to $70,000 for 1982. There is a 14-percent increase just from 1981 to 1982 in view of the tight money market for home mortgages and the depressed home construction industry, it would seem that you could get a better deal because you're paying cash. Is such an increase really justified?

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Mr. GOODRICH. Sir, we go by the HUD formula. This is established after an annual review of housing costs.

Senator MCCLURE. Maybe that's the mistake.

[Laughter.]

HOUSING COSTS

Mr. LEWIS. The act provides for annual consultation with HUD. HUD has a formula for estimating costs; but when we adopted the new ceiling, we did so with the understanding with the staff that they conduct an in-house study on the adequacy of the HUD recommendation. One of the factors being precisely the one you mentioned, our cash buying position.

Senator MCCLURE. HUD's figure includes long-term financing. If you take long-term financing out and you're dealing in a cash market, I would think that the HUD figure is relatively inaccurate when applied to your program.

Mr. LEWIS. We have talked about this. We have tried to find the real estate buyer, you might say, who has the same consideration for the purchaser being a relocatee as a regular real estate seller has. One of the problems we have in the House is that we deal with the private sector. It is really a contract between the relocatee and the real estate firm. We don't pay over appraisal, but the mechanism for getting that price down significantly below appraisal does not yet exist. The point is well taken. We are pursuing it.

Senator MCCLURE. I suspect there is at least an innate opportunity or sense of opportunity in the real estate market out there that since this is a Federal program, it is Federal dollars involved, the price can go up a little bit and nobody will really notice.

Mr. LEWIS. I think the housing costs in that area, off reservation, pretty well use up the money. Now, on reservation there is no land cost. When we have a homesite lease, there are additional costs for the contractor to put the house out there. We are looking at it. If you wish, we would be glad to provide the committee with an assessment as we go along.

Senator MCCLURE. I wish you would keep this advice as you progress. This is not something that should await a look back a year from now to determine how well or how poorly it has been done. I would appreciate it if you would keep us informed. The current upper limit that is attached by the BIA on their limit on spending on new housing in the Navajo under the Housing Improvement Act is $45,000. Why shouldn't that be the figure that is used for relocation and housing?

MR. LEWIS. One of the problems we have is, at the present time, we give the relocatee the choice where he or she wants to go and pretty much what type of house is provided; it must meet certain standards. The BIA housing is usually—much of that is in cluster development. If we could go to cluster development, which we may do on the new land, we could cut the cost of the individual house.

Senator MCCLURE. It doesn't seem to me it makes sense to the relocatee, you go find a place and we will pay for it and expect the cost to be held down.

Mr. LEWIS. That is a philosophical argument—should we limit the model house that the relocatee can select. That would cut cost. I talked

to a contractor with the Navajo Housing Authority. They won't even build unless it is clusters of 20 or more because of the significant savings. We are doing one house at a time on the reservation according to where we can obtain a 1-acre homesite lease.

Senator McCLURE. I am no housing expert and obviously you know more about the territory than I do. That is one of the advantages of administering from there instead of here, but the difference between a $45,000 applied by the BIA on the housing improvement program and $70,000 that HUD comes up, may be the difference between the agencies more than the difference between the cost between housing. I would appreciate your careful attention to this.

Mr. LEWIS. Yes, sir.

RELOCATION OPERATIONS

Senator McCLURE. Only $175,000 was spent for relocation advisory assistance services in fiscal 1980. The request for 1982 is $422,000. Why is there such a sharp increase in this area?

Mr. GOODRICH. Mr. Chairman, we have received authorization from this committee and the counterpart committee in the House to use relocation assistance format-type program consistent with uniform relocation assistance in Real Properties Acquisition Act, and we requested funds through specific spending plans that we submitted to this committee and the House committee early last summer. The original spending plan was $370,000. We have received the authorization to pursue that spending plan toward the middle of the summer.

We weren't able to get the contracts issued that had been contemplated and some unobligated funds were carried over into this fiscal year. The spending plan that we have submitted to the committee previously, I believe, called for $394,000 this year, plus the carryover balances from last year.

Essentially, it was contract authority that we didn't have time to get issued before the end of the fisal year, so the money will show in fiscal 1981 as opposed to fiscal 1980.

Mr. LEWIS. The action by the Appropriations Committees last year resulted in our withdrawal of the supplemental.

Mr. GOODRICH. Yes.

PERSONNEL CEILING

Senator McCLURE. You have requested an additional position in administration and finance, stating that you will now be responsible for your own administrative and fiscal services. We note, however, that in your February 6 report, negotiations were underway with the General Services Administration to provide administrative and fiscal support services to the Commission. What specifically will the Commission be doing in-house which had previously been done by the Interior Department and which will not fall under the contract with GSA?

Mr. GOODRICH. We just concluded negotiations and have entered into an agreement with General Services Administration to provide us financial management and recordkeeping services, contractual support and other specialized areas that would not be very cost effective for us to get into. It would be cost effective and it would be more efficient if we handled some of our routine, ongoing small procurement.

You are familiar with Flagstaff. We are not that close to a major metropolitan area and we don't have the advantages that a lot of agencies here in Washington do.

The position that we contemplate coming in, in fiscal 1982, in administrative and management is a procurement agent or purchasing agent position. That position will not only take care of our in-house needs as far as routine, ongoing procurement, but it will also service—it will also provide support services to the discretionary funds program through contracting, grants management, procurement, cooperative agreements, reimbursable agreements with other agencies.

Senator McCLURE. On the surface that sounds good. But you have a staff of 40 people. You have one procurement officer for 40 people.

Mr. GOODRICH. About one-half of the procurement positions time will be spent providing service in-house. He or she will also have responsibility for managing the funds in the discretionary funds program, which entails grants, contracts, cooperative agreements with other Federal agencies, which resulted from the new activities that were authorized as a result of last year's legislation.

Senator McCLURE. That isn't something that can be merged into the duties of existing personnel?

Mr. GOODRICH. We don't have on staff right now, or on site, more specifically, someone with a grants management background or contracts management background.

Senator McCLURE. Are you talking about heavy contracts? I thought you were talking about kind of the procurement internally.

Mr. GOODRICH. We are talking about two activities. One would be the internal servicing for the agency, which would——

Senator McCLURE. Which is, you were talking about, just day-to-day purchases. That would not need to run through GSA. But then you say you don't have anybody with heavy procurement contracts experience. I thought that is precisely what is going through GSA.

Mr. GOODRICH. There are two major activities. Discretionary funds that were authorized in the Amendments Act of 1980. Next fiscal year we will have a half-million-dollar fund to administer.

The position that will be coming into the Division of Administration or the Office of Administration will also have responsibility for the execution of that program and for the grants management within that program, in addition to providing internal procurement servicing of an administrative nature to the agency onsite.

DISCRETIONARY FUNDS

Senator McCLURE. Mr. Lewis, it looked to me like you were reaching for the microphone. I would invite you to make a comment, if you like.

Mr. LEWIS. No; we do anticipate a very large number of applications for the discretionary funds. We are now establishing the regulations to administer those funds, and the first step will be setting up priorities. In other words, what kinds of applications are going to receive the top priority.

There will be considerable responsibility within our agency to watch and make sure that the moneys are spent and we are getting services that we are buying.

Senator McCLURE. Do you expect to request a full $6 million next year?

Mr. LEWIS. We probably will request it, sir, of OMB.

Senator McCLURE. It is a pity, really, that the written record can't always reflect the voice inflections and face expressions at the same time. But the chairman notes it.

You don't have any precise guidance that you can give us now as to how you can precisely administer those funds?

Mr. LEWIS. No; except that we will try to make sure that they are tagged, that they are connected with the actual relocatee families in some respect. For example, a host community which has a capital improvement project for which money may be requested would, I assume, be required by us to set aside a site for relocatee family housing.

I think OMB will probably say to us, what has this project got to do with accepting families from the former joint use area. I think we will be watched very closely by OMB, and properly so. We will not be dispensing moneys which cannot be directly related to the relocation process.

Senator McCLURE. If there are any substantial numbers of relocatees that go into a small village it would have some impact upon that village. If, however, the same number of people were to move into a larger community it would have almost no impact.

Mr. LEWIS. That is correct.

Senator McCLURE. So there has to be a great deal of judgment applied as to whether or not the impact is sufficient to justify any sort of a grant or response?

Mr. LEWIS. Yes, sir. The impact in the larger community, of course, normally there is the less impact. The social service agencies might require some assistance, I assume, to bilingual people, but generally speaking, as we will see in the report and plan, the community services facilities and community services provided in off-reservation towns can probably absorb the relocatee families without a great deal of problem to the local community.

SOLAR ENERGY APPLICATION

Senator McCLURE. I have a few more questions, and I am going to have to submit some of them, but I want to explore just one area on the record briefly.

We did suggest that there be solar systems innovative design. Isn't the Department of Energy now providing solar photovoltaic systems to a number of relocatees at no cost to the Commission?

Mr. LEWIS. Yes, sir. Through the Indian Health Service both Hopi and Navajo relocatee houses will be provided photovoltaic systems. There are different systems, and the costs range from $14,000 to $17,000 per house.

Senator McCLURE. That is done through the Indian Health Service?

Mr. LEWIS. Yes, but from the Department of Energy funds.

Senator McCLURE. Department of Energy funds?

Mr. GOODRICH. That is correct, Mr. Chairman. The Department of Energy through grants to the Indian Health Service. The Indian Health Service is a sponsoring agency with DOE funds and then we fishtail with them.

Senator McCLURE. What is the justification?

Mr. GOODRICH. We can save $14,000 or $15,000 per unit.

Senator McCLURE. You will save $14,000 or $15,000 per unit? Saved from what?

Mr. GOODRICH. The question is, are we saving from our own benefit amounts that we pay the $66,000 for a family of four or more, the $44,000 for a family of three or less. I should explain it this way. The solar voltaic systems and some of the other energy conservation funds that we received are energy assistance funds that we received from the Indian Health Service and are added to the benefits. The $66,000 that we have to work with is not enough in all cases. And in scattered locations where we are building the houses out on the reservations, there is no electric grid power, and to extend that grid power or even provide reliable generators is fairly expensive.

Senator McCLURE. The answer is then that it allows you to provide electricity in remote locations.

Mr. GOODRICH. That is correct, Mr. Chairman.

Senator McCLURE. The remote locations might not have been selected unless there were electricity available.

Mr. LEWIS. That is right. Although we do have a waiver procedure where the family who wants a house without the electricity, water, modern conveniences can request that.

Our January 1981 program update contains a section on Federal coordination solar voltaic systems, which I will submit for the record.

Senator McCLURE. You would not necessarily have improved housing in a remote location if you had to extend the electric powerlines there?

Mr. LEWIS. That is right, sir. We would not have been able to afford it. We are watching the SERI Institute, which has a program with Saudi Arabia, and one of their components is to extend photovoltaic systems to remote Saudi Arabian villages. They don't want to extend the gridlines all over that peninsula. There may be some good information for us.

We anticipate making a trip up to Golden, Colo., to see how their progress may apply to our remote sites.

Senator McCLURE. I am in favor of finding out what we can about the applications of solar power, whether it be passive or active, whether it be photovoltaics or otherwise, but I am not sure that I can see that we can justify the expenditure to install photovoltaic systems on a house that is located where electricity is not otherwise available and then say it was justified because the electricity wasn't available when, as a matter of fact, you wouldn't have approved that location at all if it weren't for the possibility of putting in the photovoltaic system.

Mr. LEWIS. We could have approved the location with a diesel generator or a waiver.

Senator McCLURE. Would you have approved it with a generator?

Mr. LEWIS. We have done some.

Senator McCLURE. For a single family house?

Mr. BERGER. We have. Our basic problem is—we are dealing with the Indian reservation and our basic problem is that some of these people are desirous of maintaining a remote life style.

Senator McCLURE. These are people who in the area they were living had a remote life style without electricity?

Mr. BERGER. Yes.

Senator McCLURE. And now we are going to provide them with electricity.

Mr. BERGER. We are bound by requirements normally associated with urban development.

Senator McCLURE. If you are going to relocate them from one location without electricity, are we obligated to locate them to another location with electricity?

Mr. BERGER. Yes, sir.

Senator McCLURE. Without a waiver we are required to do that.

Mr. BERGER. Yes, sir, because of the decent, safe, and sanitary requirements.

Senator McCLURE. We could require them to locate to an area that had no sanitary and support facilities, could we not?

Mr. BERGER. It is my understanding that the Uniform Allocation Assistance Act standards do apply to us. The decent, safe, and sanitary requirements would require these kinds of facilities.

Senator McCLURE. Surely, but it does not require that we do it at whatever location they may desire.

Mr. BERGER. Well, this again reverts back——

Senator McCLURE. Is that correct?

Mr. BERGER. Our problem is that these families do have under the program a degree of choice as to where they are to go.

Senator McCLURE. A degree of choice, a choice that can require us to provide facilities without respect to the cost to the taxpayer?

Mr. BERGER. The act, as written, requires the Commission to assure the community facilities are available, yes, sir.

Senator McCLURE. It does not require that we grant them an isolated living situation just because they desire it or just because they came from one.

Mr. LEWIS. This gets back to our problem of do we limit choice not only of location perhaps but even of house styles. We have even considered that maybe we should put up a very energy-efficient model house and say this is the design.

Senator McCLURE. I understand what you are saying. I don't wish to put you or the Indian families into a straitjacket of choice. It doesn't seem to me that the Relocation Act settling this long-standing dispute between two groups of Indians requires the Federal taxpayer to say now you live in a remote location without these facilities. You can now choose to move to a relocation site that is remote also, but we will provide you with all of the facilities as though it were not a remote location. That has got to be a perverted reading of the intent of the different statutes. The fact that the Department of Energy may have the money available to make it available through the Indian Health Service to make it available to the relocation program does not mean that it costs the taxpayers less. It means it costs more because of the three layers of bureaucracy to support all of that.

Mr. LEWIS. That is correct, and if that program did not exist we would not have gone after the money. We would not have had the money to do it.

ADDITIONAL COMMITTEE QUESTIONS

Senator McCLURE. I think you came right down to the bottom line. Uncle Sam had the money, so let's go spend it.

I have some other questions which I will submit in writing. Other members of the committee may also have. And I appreciate very much your testimony this morning.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

Question: Among the items listed in the justification for discretionary funding are: water exploration and facilities improvement, waste disposal systems, and mobile health clinics. Doesn't the Indian Health Service have responsibility for these expenditures?

Answer: Yes, the Indian Health Service does have statutory authority to provide health services systems and provide for limited water development to Indian people on reservation land. With regard to water exploration resources, information available from the USGS and from other sources is not detailed enough to determine the specific availability of water resources for relocation sites under consideration. Prior to the selection of any new lands, test wells must be drilled to support the needs of the people who will move to the land. Due to the limited budgetary resources available to the Indian Health Service and the immediate need for programs and projects to speed up and facilitate relocation for potential new lands, the Navajo and Hopi Relocation Amendments Act of 1980 contemplated the use of Discretionary Funds to stimulate the project. The 30 percent matching participation formula outlined in the act specifically anticipated federal joint venture projects. These projects will include, but are not limited to, water exploration on the new lands, facilities improvements, and waste disposal systems.

Question: What is so unusual about this area to require "innovative solar design housing development"?

Answer: The Commission is interested in innovative solar design of housing for a number of reasons. Cost of operating houses is a prime concern. Most of the relocating families have limited income. If monthly utility bills can be substantially lessened through the use of passive or active solar designs, the family's budget problems will be somewhat alleviated on a long term basis. The cost of heating seems likely to continue to rise steadily over the coming years and it seems prudent to try to utilize the heavy amount of solar radiation found in this part of the country. Another consideration is the absence of electric and natural gas service at many on-reservation sites where we may be able to obtain homesite leases. If the homesite is not near a power grid, the relocatee would have to depend upon LP gas, a diesel generator and/or wood for heating and cooking purposes. If houses can be designed to provide at least part of the family's needs via solar energy, then there is less pressure for grid extension.

Question: What type of service and facility improvements would be provided to host communities?

Answer: Under the Commission's original legislation the agency was specifically directed to address the impacts of relocation on potential host communities. For communities who accept large numbers of relocatees, these impacts would include such things as, health facilities, community services, and other support facilities. It seems most reasonable to offer incentives to these areas accommodating families displaced as a result of partitionment of the former JUA.

Question: Will any of the projects funded with discretionary monies require a long term commitment of future support from the federal government, either through the Commission or some other agency?

Answer: The Commission's legislation contemplated discretionary funding being used for a wide variety of programs and projects that would stimulate the relocation. Some of these projects will involve brick and mortar type development. Any capital improvement will have continuing maintenance and support costs associated with it. These costs like many others on reservation trust land, will ultimately be the responsibility of other federal agencies within the normal scope of their authority. Those discretionary funds which are used to foster economic development through private enterprise will not require continued federal subsidy. Direct service programs instituted to assist relocatees will terminate upon completion of relocation.

Question: Aren't housing designs using native materials presently available from the Bureau of Indian Affairs housing office?

Yes, numerous housing design packages are available from the BIA and from other sources. The Commission has closely examined designs and building materials such as rammed earth, fly ash, adobe brick, and cellular concrete panels.

Question: Please provide for the record, a detailed explanation of the application and review process for discretionary grants and which projects will be given priority.

Answer: The Commission believes that the prioritization of individual target projects may change from year to year based upon the status of land acquisition, land exchange, and numerous other programmatic considerations. Each year, prior to receiving applications, the Commission will establish priorities for the use of Discretionary Funds. The Commission anticipated a dual level review process for Discretionary Funds application. Essentially, a Grants Review Committee will be composed of Commission staff representing the operational, program planning, and financial management units within the Commission. This Committee will evaluate applications and provide recommendations to the Commission on which projects should be funded. The Commission will have final authority on the application of Discretionary Funds. It is difficult to say which projects will receive priority during the first few years of this program. Consistent with the language of the Amendments Act of 1980, it is Commission policy that Discretionary Funds will be used to facilitate and expedite relocation. A copy of the proposed rules and regulations governing the usage of Discretionary Funds is attached for Committee review.

Question: Under your resource allocation table on page 50 of the justification $419,000 is listed under "other services." Will these funds be contracted out and if so, for what services?

Answer: As has been noted, $419,000 is the agency's estimate for expenses properly classified within Other Services. These estimates will be allocated as follows:

Planning and Evaluation	$ 16,000
Engineering and Technical Support	25,000
Land Selection	285,000
Relocation Operations	5,000
Administration and Finance	88,000

Most of these funds will be used to obtain services from other federal agencies through reimbursable agreements. Some contract services with private firms will be necessary. Examples of these contracts contemplated in FY 1982 are the Navajo Tribe for homesite lease facilitating services; the Hopi Tribe for on-reservation planning assistance and consultation and possibly some contracts for land evaluation technical assistance. Associated with the land selection activities, the Commission anticipates contracting for reimbursable agreement with other federal agencies. Due to the fact that the Commission is a "sunset agency", the acquisition of specialized services through contracting seems most appropriate and cost effective.

Questions Submitted by Senator Harrison Schmitt

Question: The listing of staff positions calls for several speciality positions Illustrator Artist, construction inspectors, etc. What is your primary source of such talent? What percentage of your staff is Indian?

Answer: The nature of the Commission's work requires numerous specialty positions such as appraisers, realty specialists, social work specialists, and highly qualified construction inspectors. To date, our primary source of people for these types of positions have been from the private sector. Only 7 of the current 46 Commission positions had prior federal service before joining the agency. Personnel have been recruited primarily from within the State of Arizona. Of the current 46 positions allocated to the agency, 22 are filled by members of the Navajo or Hopi Tribe. This equates to 47 percent of the total agency staffing.

Question: At this point in time, where have the vast majority of people been relocated?

Answer: A detailed analysis of families moved to date, is attached for the record.

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

(25 CFR Part 700)

COMMISSIONS OPERATIONS AND RELOCATION PROCEDURES

Discretionary Funds

AGENCY: Navajo and Hopi Indian Relocation Commission

ACTION: Proposed Rule

SUMMARY: The Navajo and Hopi Indian Relocation Commission proposes to establish Subpart N, Discretionary Funds, to 25 CFR Part 700. Proposed Subpart N would provide procedures for the submission, review and approval, and administration of applications for financial assistance from the discretionary fund established by P.L. 93-531 as amended (25 USC 640d-25). The proposed rule lists States, local governments, the Navajo and Hopi Tribes, tribal chapters, profit and nonprofit organizations, and individuals as eligible to apply for financial assistance under this subpart and describes the requirements which applicants must meet to be eligible for financial assistance.

DATE: Comments must be received on or before thirty days after publication.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

P.L. 93-531 as amended, establishes a discretionary fund for use in alleviating adverse impacts caused by the relocation and resettlement of individuals under the Act. The discretionary fund delineates two categories of programs or projects for which financial assistance is available. The purpose of both categories is to aid relocatees, however, the two categories address different areas of relocatee needs. Eligible applicants for the first category are States, local governments, the Navajo and Hopi Tribes, tribal chapters, and profit and nonprofit organizations. Eligible applicants for the second category are the same as for the first with the addition of individuals.

For the first category of financial assistance, the Navajo and Hopi Indian Relocation Commission may match or pay not to exceed 30% (thirty percent) of any grant, contract, or other expenditure of the Federal Government, State or local government, tribal government or chapter, or private organization. The focus of the applications should be the indirect impacts of relocation upon relocatees and should include assisting the host communities, towns, cities, or other entities in accommodating the relocatees. Examples of activities eligible under the first category of financial assistance are: (1) economic development projects providing jobs to relocatees; and (2) community development projects which permit communities, towns, cities or chapters accepting relocatees to build, expand, or improve community facilities. Although others may accrue benefits from projects such as these, projects must be designed so that relocatees are the primary beneficiaries.

For the second category of financial assistance, the Commission may provide grants, cooperative agreements, or contracts of up to 100% (one hundred percent) to States, local governments, the Navajo and Hopi Tribes, tribal chapters, profit and nonprofit organizations, and individuals for

demonstration projects in housing or for programs which provide related community projects or other related services in the relocation and resettlement of individual relocatees.

The proposed rules place a significant limitation on eligible costs for both categories by prohibiting payment of operating costs, except in the case of a demonstration project or a specific annual contract for services. The intention of this limitation is to focus the objectives of applications on fairly short-term, completable activities. The purpose of financial assistance from the discretionary fund is to provide relocatees with rapidly perceivable benefits whose usefulness is not contingent upon a continual flow of financial assistance. The life of the Commission is limited; therefore, it cannot fund the operating costs of long-term projects.

In both categories, the Commission has the legislative authority to fund a wide range of applicants for a variety of programs or projects. This latitude allows the Commission to deal effectively and sensitively with the diverse kinds of problems which may arise as a result of relocation. However, this latitude could create a situation where the Commission would receive numerous applications which do not address the most pressing needs of the relocatees. To avoid this situation, the Commission intends to publish annually a list of priorities in the Federal Register. The list will describe activities receiving the highest priority in obtaining financial assistance. This list will be developed with input from interested groups and will enable the Commission to exercise flexibility in designating eligible projects but at the same time will permit it to utilize its own staff time efficiently and to provide adequate guidance to potential applicants.

The list of priorities will specify both the types of activities which are eligible and any constraints related to their eligibility. The limitations are important for projects which could fit into either category of financial assistance depending on who will benefit from the project.

The list of priorities will also specify whether applications for

certain types of programs or projects to be funded under the second category require matching funds from the applicants. If the Commission requires matching funds, the applicant may meet this requirement through in-kind contributions.

Applicants wishing an initial determination on the acceptability of a program or project before preparing an application may submit a letter of inquiry.

As soon as applications are received for either category, the review and approval process will begin. The Commission recognizes the need for rapid implementation of acceptable applications and will develop a thorough yet speedy review and approval process. If an applicant submits a generally sound application which meets the purpose of the first or second category but which contains deficiencies or problems, the Commission may, if requested and resources permit, assist the applicant in making necessary changes to the application.

Accordingly, Part 700 of Title 25 of the Code of Federal Regulations is proposed to be amended by adding regulations now designated as Subpart N - Discretionary Funds, to read as follows. The present sections in Part 700 remain in effect until a complete revision is published.

SUBPART N - DISCRETIONARY FUNDS

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§ 700.451 Purpose

The purpose of this subpart is to establish procedures for the submission, review and approval, and administration of applications for financial assistance from the discretionary fund established by P.L. 93-531, as amended.

The purpose of the discretionary fund is to provide financial assistance to activities which will expedite the relocation and resettlement of individuals under the Act and ease the hardship incurred by these individuals.

§ 700.453 Definitions.

(a) Act means P.L. 93-531 (88 Stat. 1712, 25 USC 640d), as amended.

(b) Applicant means with respect to this subpart, any applicant as defined under §700.459(c) or §700.462(b).

(c) Business means any lawful activity, except a nonprofit organization or a farm operation, that is--

(i) Conducted primarily for the purchase, sale, lease and/or rental of personal and/or real property, and/or for the manufacture, processing, and/or marketing of products, commodities, and/or any other personal property; or

(ii) Conducted primarily for the sale of services to the public.

(d) Commissioners means the three Commissioners of the Navajo and Hopi Indian Relocation Commission.

(e) In-kind contribution means a noncash contribution as described in attachment F of OMB Circular A-102.

(f) Local government means a local unit of government including specifically a county, municipality, city, town, township, local public authority, special district, council of governments, and other regional or interstate entity, or any agency or instrumentality of a local government.

(g) Nonprofit organization means a corporation, partnership, individual, or other public or private entity that is engaged in a lawful business, professional, or instructional activity on a nonprofit basis and that has established its nonprofit status under applicable Federal, State, or Tribal law.

(h) Related facilities means any building or structure normally found in a community and includes but is not limited to water, sewer and electrical lines, community centers, health centers and clinics, roads, and business establishments.

(i) Services means activities relating to human development including, but not limited to, educational and job training, mental health counseling, health care, and technical assistance in business administration, agriculture, and home economics.

(j) Tribe means the Navajo Tribe or the Hopi Tribe.

(k) Tribal subdivision means a Navajo Chapter or a Hopi Village.

§ 700.455 Financial assistance.

(a) The Commission may provide financial assistance to applicants eligible under this subpart from funds available for any fiscal year.

(b) To obtain financial assistance, an applicant shall submit an application in accordance with §700.468.

(c) The Commission may make funding decisions throughout the year as applications are approved. The Commission shall, to the extent possible, make funds available throughout the year for approved applications. Based upon the merit of applications received under this subpart, the Commission shall determine how funds available under this subpart shall be apportioned among the activities described in §700.459 and §700.462.

§ 700.457 Assistance to match or pay 30% of grants, contracts or other expenditures

(a) The purpose of applications for financial assistance under this section shall be to aid individuals subject to relocation under the Act and to assist the host communities, towns, cities, or other entities in adjusting to and meeting the needs of the relocatees. For this purpose, the discretionary fund may be used to match or pay not to exceed 30% (thirty percent) of any grant, contract, or other expenditure of the Federal Government, State or local government, tribal government or chapter, or private organization for the benefit of the Navajo or Hopi Tribe, if the Commission determines that such grant, contract, or expenditure would significantly assist the Commission in carrying out its responsibilities or assist either Tribe in meeting the burdens imposed by this Act.

(b) An "other expenditure" under this subsection is defined as cooperative agreements, direct provision of services, or in-kind contributions. The Commission may match or pay not to exceed 30% (thirty percent) of an other expenditure through a grant, contract, or cooperative agreement.

(c) Eligible applicants under this section for a grant, contract, or cooperative agreement are defined as States, local government, the Navajo and Hopi Tribes, tribal chapters or villages and profit and nonprofit organizations.

(d) Total Federal financial assistance under this section may reach 100% (one hundred percent) if the applicant receives 70% (seventy percent) Federal funding from Federal agencies other than the Commission.

(e) When another Federal agency is a primary source of financial assistance for an applicant, the Commission may, pursuant to an interagency agreement, transfer funds to the primary Federal agency providing financial assistance to the applicant.

(f) The Commission may, pursuant to an interagency agreement, transfer not to exceed 10% (ten percent) of the funds available under this subpart to another Federal agency directly assisting relocatees if such

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agency's activities would accomplish the purpose of paragraph (a). Financial assistance transferred to accomplish an eligible activity under paragraph (a) may not exceed the funding limitation of paragraph (a).

(g) An applicant may apply for financial assistance under this section in accordance with the funding limitations described in paragraph (a) for the purpose of undertaking a technical feasibility study of a construction project or any major project with a total funding of over $200,000 (two hundred thousand dollars) or any dollar amount which the Commission may prescribe at some future time.

§ 700.459 Assistance for demonstration projects and for provision of related facilities and services.

(a) The purpose of applications for financial assistance under this section shall be to directly and solely aid individuals subject to relocation under the Act. For this purpose, the discretionary fund may be used by the Commission to engage or participate either directly through Federal activities, or by cooperative agreement, grant, or contract in demonstration efforts to employ innovative energy or other technologies in providing housing; and in providing related facilities and services in the relocation and resettlement of individuals under this Act.

(b) Applicants eligible under this section to receive grants, cooperative agreements or contracts are; states, local governments, the Navajo and Hopi Tribes, tribal chapters, profit and nonprofit organizations, and individuals.

(c) The Navajo or Hopi Tribe may submit a single application to accomplish several of the activities described in paragraph (a)(1) and (2).

(d) Applicants for assistance under this section may receive up to 100% (one hundred percent) project or program funding from the Commission, however, the Commission may specify in the list of priorities published pursuant to §700.465 if applications for certain types of programs or projects under this section require matching funding from the applicant.

(e) Activities described in paragraph (a)(1) and (2) may be provided by the Commission through in-house activities which receive financial assistance under this section.

(f) The Commission may, pursuant to an interagency agreement, transfer not to exceed 10% (ten percent) of the funds available under this subpart to another Federal agency directly assisting relocatees if such agency's activities would accomplish the purpose of paragraph (a)(1) and (2).

(g) An applicant may apply for financial assistance under this section for the purpose of undertaking a technical feasibility study of a construction project, or any major project with a total planned funding of over $200,000, (two hundred thousand dollars) or any dollar amount which the Commission may prescribe at some future time.

§ 700.461 Application priorities

(a) The Commission shall prioritize those types of applications for financial assistance under this subpart which would most effectively achieve the purposes of §700.459(a) or §700.462(a). In developing a list of priorities, the Commission shall--

(1) solicit views from interested groups on which types of applications would most assist persons subject to relocation;

(2) publish the list annually in the Federal Register;

(3) review and if necessary, revise the list at least annually or as needed following the procedures described in paragraph (1) and publish the revision in the Federal Register.

(b) Examples of possible priorities for applications under §700.459 include--

(1) projects which build, expand or improve community facilities to be used by relocatees in communities, towns, cities, or other entities accepting relocatees; and

(2) projects which will provide job opportunities which are accessible to and intended for relocatees.

(c) Examples of possible priorities for applications under §700.462 include--

(1) demonstration houses for relocatees which achieve energy conservation through low cost maintenance and low cost operation, building design, building materials, and solar or other technologies;

(2) projects which provide electricity directly to and solely for relocatees through solar photovoltaic and wind power systems;

(3) projects providing other community facilities or services directly to and solely for relocatees; and

(4) the establishment of businesses which are owned solely by relocatees.

§ 700.463 Requirements for applications.

(a) Brief letters of inquiry are encouraged for all applicants except for a State, local government (exclusive of an institution of higher education or a hospital), or the Navajo or Hopi Tribe which submits an application for a grant or cooperative agreement meeting the conditions described in OMB Circular A-102, attachment M, which requires a preapplication for a construction, land acquisition, and land development project or program for which the need for total Federal funding exceeds $100,000 (one hundred thousand dollars). A letter or inquiry shall contain--

(1) the name and address of the applicant;

(2) budget information;

(3) a brief narrative describing how the program or project will meet the purpose of §700.459(a) or §700.462(a).

(b) The Commissioners shall review each letter of inquiry to determine if the preapplication conforms to the purpose of §700.459(a) or §700.462(a) and may, in writing, invite each applicant submitting an acceptable preapplication to submit an application.

(c) Application for financial assistance for a project or program may be submitted on an ongoing basis after publication of the final regulations for this subpart. An original and 5 (five) copies of each application must be submitted to the Commission. An application shall contain--

(1) the name and address of the applicant;

(2) budget information, including where appropriate, the source and amount of other Federal and all non-Federal contributions to the proposed or actual project or programs; and

(3) the following for applications under §700.459--

(i) a narrative statement which shall include an explanation of how the application would aid relocatees and assist the host communities, towns, cities, or other entities in adjusting to and meeting the needs of relocatees;

(ii) documentation that the applicant has fulfilled all of the requirements of any Federal agency, State or local government, tribal government or chapter, or private organization from which financial assistance is also requested;

(4) for applications under §700.462, an explanation of how the application would directly and solely aid relocatees and a thorough description of either the demonstration effort in housing or the related facilities and services which the proposed project or program would provide; and

(5) the requirements described in §700.471, as applicable.

(d) The format of the preapplication or application may be selected by the applicant except that an applicant covered by OMB circular A-102 or A-110 as described in §700.489(a) and (b) shall use such forms as the Commission may prescribe in conformity with these circulars.

§ 700.465 Technical feasibility.

Unless required by a non-Commission source of financial assistance, completed plans and specifications are not required in an application for construction, technology, or an other engineering project, however, an application for a construction, technology or an other engineering project shall;

(a) include sufficient information to determine the nature and scope of the project, its probable useful life, and a reasonable estimate of cost;

(b) fully show that the applicant will follow design and performance

criteria which conform to professionally recognized standards and which adequately define the technical capability of the project to serve current and foreseeable needs; and

(c) justify any evidence or use of unorthodox design.

§ 700.467 Construction costs.

Construction costs and costs relating to construction such as machinery and equipment, architect/engineer services, and administrative services may be allowable as determined by the Commission.

§ 700.469 Unallowable program and project costs.

Costs for program or project operating expenses are not allowable except in the following cases--

(a) an application for an annual contract for services under §700.459 or §700.462 may include necessary operating expenses; and

(b) an application for a demonstration effort under §700.462 may include costs relating to the operation of the demonstration.

§ 700.471 Review and approval.

(a) Upon receipt of an application for financial assistance under this subpart, members of the Commission staff shall begin a preliminary review of the application with the intent of submitting a recommendation to the Commissioners of whether to accept or deny the application. The Commission staff shall inform the applicant in writing and before its recommendation to the Commissioners, of any special problems or impediments which may result in a recommendation for disapproval; may offer any available technical assistance required to overcome such problems or impediments; and solicit the applicants written response.

(b) The Commission staff may solicit comments on an application from technical specialists, community groups and others, when such advice is needed to fully evaluate the application.

(c) The Commission staff shall forward the application with their recommendation to the Commissioners. The Commissioners shall review each application. Applications may be approved if the Commissioners determine that--

(1) the application meets the requirements of this subpart;

(2) the application meets the intent of the Act;

(3) the application fully demonstrates that it will expedite the relocation and resettlement of individuals under the Act and ease the hardship incurred by these individuals or by the Tribes.

(4) the application is compatible with the list of priorities published in the Federal Register; and

(5) the applicant can carry out the activities described in the application and can maintain proper financial controls on the activities for which financial assistance is requested.

(6) funds are available.

§ 700.473 Administrative expenditures of the Commission.

The Commission may use funds in an amount not to exceed 5 percent of the funds authorized under this subpart for expenses relating to the administration of the discretionary fund including--

(a) personnel, whose time is expended directly in support of such administration;

(b) supplies which are expended directly in support of such administration;

(c) contracts, where the work performed is directly related to such administration;

(d) printing, directly in support of such administration; and

(e) travel, directly related to such administration.

§ 700.475 Reports.

Reports shall be furnished by any recipient of financial assistance under this subpart, in such manner as may be required by the Commission.

§ 700.477 Administration of financial assistance and recordkeeping requirements.

(a) A State or local government [except an institution of higher education or a hospital since they are governed by paragraph (b)], or the Navajo or Hopi Tribe receiving a grant or cooperative agreement under this

subpart shall comply with applicable law, including the following requirements--

(1) Office of Management and Budget Circular A-102, entitled "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments" including attachment C describing recordkeeping requirements; and

(2) Federal Management Circular 74-4 (34 CFR 255), entitled "Cost Principles Applicable to Grants and Contracts with State and Local Governments."

(b) A nonprofit organization, institution of higher education, or hospital receiving a grant or cooperative agreement under this subpart shall comply with applicable law including the following requirements--

(1) Office of Management and Budget Circular A-110, entitled "Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations" including attachment C describing recordkeeping requirements; and

(2) Office of Management and Budget Circular A-122, entitled "Cost Principles for Nonprofit Organizations."

(c) A profit organization receiving a grant or cooperative agreement under this subpart shall comply with applicable law including Federal Procurement Regulations (41 CFR Subpart 1-15.2) for determining the reasonableness, allowability, and allocability of costs.

(d) A profit organization, tribal chapter, or individual receiving a grant or cooperative agreement under this subpart shall--

(1) follow sound and proper procedures for the administration of the financial assistance including any procedures established by the Commission; and

(2) retain records as required by the Commission.

(e) A State, local government, the Navajo or Hopi Tribe, a tribal chapter or an individual receiving a contract under this subpart shall comply with applicable law including Federal Procurement Regulations (41 CFR Parts 1-1 through 1-30). Recordkeeping requirements for contracts are

described in §§1-3.814-2, 1-7.103-3, 1-7.103-18, 1-7.603-20, and 1-7.603-7 of the Federal Procurement Regulations.

(f) A State, local government, profit or nonprofit organization, or an individual residing off of the Navajo or Hopi reservation applying for a grant or cooperative agreement under this subpart shall comply with Office of Management and Budget Circular A-95, entitled "Evaluation, Review and Coordination of Federal and Federally Assisted Programs and Projects" unless exempted under Part I, section 8.b. of this circular.

(g) Recipients of financial assistance under this subpart shall comply with other procedures which the Commission may from time to time prescribe for the administration of financial assistance provided under this subpart.

§ 700.479 Administrative review.

(a) If the Commissioners intend to deny an application for financial assistance submitted under this subpart, the Commissioners shall give notice to the applicant.

(b) If the Commissioners determine that implementation of an application approved according to §700.480 fails to meet the requirements of this subpart, the Commissioners shall give notice to the recipient of their intent to terminate or suspend financial assistance to the recipient.

(c) The Commission shall issue such notice in written form sent by registered mail, return receipt requested; including--

(1) a statement of the reasons for the findings referred to in paragraph (a) or (b) of this section, including an explanation whether any amendments or actions would result in compliance with the regulation; and

(2) an explanation of the availability of a hearing for actions to suspend or terminate financial assistance.

(Pub. L. 96-305, 94 Stat. 929, 25 U.S.C. 640-d)

Roger Lewis

Roger Lewis, Chairman
Navajo and Hopi Indian
Relocation Commission

TABLE I
ON-RESERVATION HOST COMMUNITIES

All Communities are located on the Navajo Reservation unless otherwise indicated.

Arizona		
Chinle	2 families comprised of	8 persons relocated to Chinle
Dilcon	2	10
Fort Defiance	1	3
Ganado	1	8
Indian Wells	1	5
Leupp	3	14
Lupton	1	5
Shonto	6	28
Steamboat	4	23
Teesto Chapter	5	26
Tolani Lake	2	11
Tuba City*	18	84
White Cone	7	20
Window Rock	1	3
Jeddito Valley (Hopi Reservation)	3	17
Keams Canyon (Hopi Reservation)	1	5
Polacca (Hopi Reservation)	2	7
Teesto Area (Hopi Reservation)	2	5
	62	282
New Mexico		
Cousins	1	4
Crownpoint	1	6
Sanostee	1	5
Shiprock	1	4
	4	19

TOTAL 66 families comprised of 301 persons

*One family (3 persons) has sold its replacement home and moved from Tuba City to an off-reservation community.

TABLE II
OFF-RESERVATION HOST COMMUNITIES

	Families Who Have Moved Moved to this Community Number of Families (Persons)	All Households Who Have Moved[1]	Families Known to Occupy Their Homes Number of Families (Persons)[2]
Arizona			
Flagstaff	99 (439)	33.0%	90 (396)
Winslow	45 (203)	15.0%	42 (186)
Holbrook	12 (65)	4.0%	12 (65)
Page and the Arizona Strip	13 (61)	4.0%	11 (51)
White Mountain Area	11 (42)	4.0%	11 (42)
Phoenix Metro Area	18 (71)	6.0%	16 (62)
Other Communities	2 (7)	1.0%	1 (3)
Arizona Subtotal	200 (888)	67.0%	183 (805)
NEW MEXICO			
Albuquerque	4 (13)	1.0%	4 (13)
Farmington	5 (17)	2.0%	5 (17)
Gallup	9 (50)	3.0%	8 (44)
Other Communities	3 (12)	1.0%	3 (12)
New Mexico Subtotal	21 (92)	7.0%	20 (86)
OTHER STATES			
Various Communities	12 (50)	4.0%	12 (50)
TOTAL OFF-RESERVATION	233 (1,030)		

[1]The entries in this column show the percentage of all the families who have relocated to each community. For example, of the 299 households that have been relocated, 99 have moved to Flagstaff; hence 99 - 299 = 33 percent.

[2]Some families have moved from their host communities to other communities. These moves have been subtracted. For example, 99 families (439 persons) relocated to Flagstaff and 9 of these families (43 persons) have moved; hence, 99 - 9 = 90 and 439 - 43 = 396.

SUBCOMMITTEE RECESS

Senator McCLURE. You are handling a difficult and sensitive problem, one which everyone up here wants to see handled as well as can be.

Mr. LEWIS. Thank you.

Senator McCLURE. The subcommittee will stand in recess until 9 a.m. Tuesday, March 3, when we will receive the budget request for the Fish and Wildlife Service.

[Whereupon, at 12:22 p.m., Thursday, February 26, the subcommittee was recessed, to reconvene at 9 a.m., Tuesday, March 3.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1982

TUESDAY, MARCH 3, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 9:05 a.m., in room 1318, Everett McKinley Dirksen Senate Office Building; Hon. Harrison Schmitt presiding.

Present: Senators McClure, Schmitt, and Burdick.

DEPARTMENT OF THE INTERIOR

U.S. FISH AND WILDLIFE SERVICE

STATEMENT OF F. EUGENE HESTER, ACTING DEPUTY DIRECTOR

ACCOMPANIED BY:

RICHARD J. MYSHAK, ASSOCIATE DIRECTOR, WILDLIFE RESOURCES
MICHAEL J. SPEAR, ASSOCIATE DIRECTOR, ENVIRONMENT
GALEN L. BUTERBAUGH, ASSOCIATE DIRECTOR, FISHERY RESOURCES
HAROLD J. O'CONNOR, ACTING ASSOCIATE DIRECTOR, FEDERAL ASSISTANCE
ADAM A. SOKOLOSKI, ASSISTANT DIRECTOR, PLANNING AND BUDGET
JOSEPH W. GORRELL, DEPUTY DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY
KEITH M. SCHREINER, REGIONAL DIRECTOR, ALASKA

OPENING REMARKS

Senator SCHMITT. The hearing will come to order. The chairman will be here momentarily, but we might as well get going, since hopefully everyone has a lot of things to do today. I wish everybody good morning. This is the time scheduled to hear the fiscal year 1982 budget request of the Fish and Wildlife Service excluding its land acquisition proposals that are funded through the Land and Water Conservation Fund. The fiscal 1982 budget request for annual appropriations totals $294.1 million, an increase of $20.8 million over the fiscal year 1981 appropriations to date. The service also has a 1981 pay supplemental of $9.9 million and a 1981 program supplemental of $6 million pending. We regret that this hearing is scheduled prior to the administration completing its fiscal year 1982 budget revisions. We understand that the adjustments to the Fish and Wildlife Service request are not yet final. However, we hope that you will be able to share with the subcommittee

whatever information you have so that we will not have to schedule another hearing devoted solely to these revisions.

Mr. Hester, if you would introduce your associates with you this morning for our record and then proceed to highlight your statement. If you wish to summarize, as we encourage you to do, the full statement will, of course, be printed in the record. Please proceed, Doctor.

Mr. HESTER. Thank you, sir. My name is F. Eugene Hester, I'm Acting Deputy Director of the Fish and Wildlife Service. To my far left is Richard J. Myshak, Associate Director for Wildlife Resources. To my immediate left is Michael J. Spear, Associate Director for Environment. Continuing to my right is Adam A. Sokoloski, Assistant Director, Planning and Budget. Next is Galen Buterbaugh, Associate Director, Fishery Resources. On the far right, Harold J. O'Connor, Acting Associate Director, Federal Assistance. With me also this morning is Joe Gorrell from the Office of Budget of the Department of the Interior.

STATEMENT OF F. EUGENE HESTER

It's my privilege, shared by my associates, to appear before the subcommittee to discuss the budget request presented to you. The mission of the Service is to conserve, protect, and enhance fish and wildlife in their habitats for the continuing benefit of people. The Service is concerned with the welfare of all fish and wildlife and the preservation of their habitats, with principal responsibility and authority for migratory birds, threatened and endangered species, international resources, and wildlife on lands under service control.

ORGANIZATION

The Service is composed today of a headquarters office here in Washington; seven regional offices, including Alaska, which has recently been made a regional office; and a wide variety of approximately 750 field units and installations. These include over 400 national wildlife refuges, over 90 national fish hatcheries and development centers, 17 fish and wildlife research laboratories, cooperative research units at 31 universities across the country, and a nationwide network of wildlife law enforcement agents.

I heartily support the President's national economic objective of reducing inflation due in part to continued Federal deficits. The Fish and Wildlife Service will do its part. I understand that the details of the proposed revisions will be made available on March 10, or shortly thereafter. The key to realizing these opportunities that do exist is the rational and precise allocation of the available funding together with alert and demanding management. It is for this reason that our budget proposes funds to be devoted to two primary purposes. Operation and maintenance of service national wildlife refuge facilities and fishery facilities to improve management and efficiency and implementation of the recently enacted Alaska National Interest Lands Conservation Act.

FOCUS OF BUDGET REQUEST

Our request for the resource management appropriation will focus on operation and management funds and will be spent principally at national wildlife refuge field stations and fish hatcheries. Other funds will be used to operate and maintain fishery research laboratories and fishery assistance field stations.

Rising costs of materials, supplies, and labor over the past several years have necessitated deferral of normal cyclical maintenance of the facilities such as water control structures, dikes, raceways, ponds, irrigation, and pumping systems, as well as support facilities such as buildings, roads, fences, and equipment.

Operational costs such as fish food, electrical power, and other utilities have also been affected by cost escalation. The impacts have been more severe at existing older facilities.

Increased operation and maintenance funding will improve effectiveness, promote safety, and provide basic operational needs such as fish food, utilities, equipment, supplies, and materials. These increases also respond to congressional concerns expressed about the operation and maintenance funding of Service facilities.

The Alaska National Lands Conservation Act was signed December 2, 1980. The Service request will include amounts to implement certain provisions of this act. The act established nine new and enlarged seven existing wildlife refuges in Alaska, directed specific studies of fish and wildlife resources in several regions of Alaska, and established subsistence use of renewable resources as the priority consumptive use on public lands.

The focus of management of the new refuge units is the maintenance of all natural and cultural values, with particular emphasis on fish and wildlife and their habitats. Several factors and difficulties are unique to Alaska and become important in determining management objectives and strategies. Native cultures and the frontier lifestyles of other rural Alaskans are based on subsistence use of fish and wildlife.

The remoteness of most refuges and their immense size, the provision of multiple public uses, such as hunting, fishing, commercial fishing, timber, and other economic uses and the great diversity, and, in many instances, fragility of these pristine ecosystems contribute to the management challenge.

Comprehensive planning, a basic prerequisite to intelligent and purposeful fish and wildlife stewardship requires knowledge of the nature and the extent of the existing resources of an area and their use. Surveys, censuses, and management studies will be conducted on refuges to determine numbers, species, and habitat needs of fish and wildlife resources. The basic ecology of these lands will also be studied.

When completed, the plan will define actions required to maintain the viability of the ecosystems, including the levels of compatible uses for various purposes. The enormity and limited time for the refuge comprehensive planning task, required under section 304(g) of the act creates major data management problems for the Service. The budget request for this appropriation will be used to continue development and rehabilitation of facilities of the National Wildlife Refuge System, including roads, buildings, water control structures, and public use facilities.

The Service will preserve 21,400 acres of wetlands in 1982 from receipts from the sale of the migratory bird hunting and conservation stamps. No advance from the wetlands loan fund has been requested and no direct appropriation is requested for payment in lieu of taxes.

This concludes my opening statement, Mr. Chairman, and I should be pleased to respond to any questions the committee may have.

Senator McCLURE [presiding]. Senator Schmitt?

BOSQUE DE L'APACHE

Senator SCHMITT. Thank you, Mr. Chairman.

Doctor, initially a few somewhat parochial issues. What is proposed by your agency to deal with the growing number of people visiting the Bosque de l'Apache Wildlife Refuge on the Rio Grande in New Mexico? Are you familiar with that?

Mr. HESTER. I'm familiar with the refuge. I would like to ask if Mr. Myshak might help answer that question.

Senator SCHMITT. The issue, of course, is that there's a rapidly accelerating number of people visiting that spectacular wildlife preserve and the facilities there are completely antiquated. Do you have any plans?

Mr. MYSHAK. Senator Schmitt, we requested last year in our appropriation budget $430,000 to rehabilitate and to upgrade the visitor and headquarters complex. However, we did not receive that funding and region 2 is in the process right now of reprograming within their existing budget funds to go ahead and take care of the visitor and headquarters site complex. Hopefully this should be underway, or we should identify those funds shortly and be able to get underway with the construction and rehabilitation necessary.

Senator SCHMITT. Do you anticipate any difficulty in that program?

Mr. MYSHAK. Not currently, no, sir.

Senator SCHMITT. If you will keep us informed of that process?

Mr. MYSHAK. Yes.

Senator SCHMITT. Do you have any idea when the final request for reprograming will be forwarded to the Congress?

Mr. MYSHAK. No, sir, I can't answer. I will find that out for you.

Senator SCHMITT. I'd appreciate that for the record.

[The information follows:]

BOSQUE REPROGRAMING

The Service anticipates submitting a request to the Department in March to reprogram construction funds for replacing the existing inadequate office building at Bosque del Apache National Wildlife Refuge. We anticipate that the request will be forwarded to Congress sometime thereafter. Reprograming requests receive intensive review within the Department and the Office of Management and Budget before being forwarded to the Congress.

AIRCRAFT RENTAL PROGRAM

Senator SCHMITT. I'm advised that the Fish and Wildlife Service has been instructed to turn over its aircraft to the Office of Aircraft Management. The aircraft will in turn be rented back to you. In view of the high level of use that aircraft by your agency I don't quite see how such a rental program is going to be cost effective. Doctor, would you care to comment?

Mr. HESTER. Yes; Senator. I think maybe the only appropriate comment I can make now is that the Department is reevaluating this entire matter at this point. I would not make any guess as to what the conclusion might be, but they are reevaluating the use of aircraft and the role of aircraft services.

Senator SCHMITT. If anybody pays any attention at all to my consistency in these matters, they might be a little bit surprised with the question since I have been beating on the Customs Service to centralize their aircraft operation, but they're dealing with an international threat across the borders, whereas generally your activities are more local and probably do not require national coordination. Would you agree with that sentiment?

Mr. HESTER. We do have some problems unique to the Fish and Wildlife Service.

Senator SCHMITT. But most of the problems which you devote your aircraft to are local problems, and the aircraft tend to operate within a region, not on a national scale; is that correct?

Mr. HESTER. We have some that work both ways. We have some local problems. We have some that are covering national problems.

Senator SCHMITT. So there are some arguments for breaking up the personal air force of each region and centralizing it?

Mr. HESTER. I would assume there are advantages and disadvantages. That's my understanding of what the Department is doing.

ALBUQUERQUE REGIONAL OFFICE

Senator SCHMITT. If you were to keep the subcommittee informed, I'm sure we would all appreciate it.

Are you aware of the recommendations the subcommittee made last year which postponed the closing or redesignation of the Albuquerque regional office at least until the full study of the effects of the Albuquerque/Phoenix area offices were made?

Mr. HESTER. Yes, sir.

Senator SCHMITT. What action do you anticipate will be taken in order to make a budget savings that would cause this issue to come up in the first place?

Mr. HESTER. Senator, if I might review very briefly, the message we got from Congress was not a clear one. We got both a message that it was not necessary to close the Albuquerque regional office or to change it from a regional office to an area office, but the Congress also removed the $700,000 that we indicated would be saved by such a closure. So we got, frankly, a mixed signal from the Congress.

Senator SCHMITT. If I may interrupt right there. It was never made clear to the Congress, certainly not to this committee, that the calculation that $700,000 could actually be saved. There were also going to be some costs of centralizing those activities in the Denver office, and this subcommittee was never convinced that all of those costs were worked into that particular proposal by the Fish and Wildlife Service. As a matter of fact, there is a letter that I sent to the previous Director, which we will make available to you if you don't have it, which, I think, summarized, the best that I could summarize them, the fact that there really is no inconsistency in your mixed signal of what the Congress has said. We will make that letter available to you if you have not seen it.

Mr. HESTER. All right.

Senator SCHMITT. Please continue.

Mr. HESTER. We had believed that $700,000 would be the net amount, that is, we recognized there would be costs and there would be savings; but the best estimate we had at the time was that about $700,000 would be the net amount and that was the amount that was removed from our budget. So we felt we got mixed signals on this. We have been trying, within the administration, to resolve the matter as to what are our instructions. Are we to close it or to keep it open? So far we have maintained it open. We've done so on a rather limited basis. We do not have a regional director there, for example. We will have an acting regional director, until the matter is finally resolved.

I will add that the Department, now the new administration, is looking at the options and trying to help us resolve this matter.

Senator SCHMITT. We will make available to you, if you do not have it, the information that was developed last year in this matter. I don't believe anyone on the subcommittee was convinced that there was a net savings. Particularly in view of the responsibilities that would be added to the Denver office, the distances that would have to be traveled in order to exercise those responsibilities and other factors involving the determination of or transfer of personnel to that area.

In addition, you recognize that the Albuquerque office represents one of the prime employers of minority personnel within the Fish and Wildlife Service and your efforts in that regard will be seriously compromised by the change.

Mr. HESTER. We are aware that that is one of the considerations.

Senator SCHMITT. We'll make that information available to you if you do not have it. I'd hope that you'll keep my office, as well as the subcommittee, informed of your progress in this matter.

Mr. HESTER. Yes, sir.

USE OF EAGLE FEATHERS

Senator SCHMITT. Mr. Chairman, you might be interested in the next item which has to do with the issue of bird feathers. You may or may not be aware that there is in Pocatello, Idaho, a storage facility operated by the Fish and Wildlife Service, if I understand correctly, that is a facility for the storage of eagle feathers that the Service collects in the normal course of its business from dead eagles. Hopefully dead by natural causes.

What provisions, if any, are presently made to provide native Americans with feathers from those eagles and other birds protected by Federal law? Does the Pocatello facility have the authority to collect all types of feathers of endangered species?

Mr. HESTER. The Pocatello office has the authority to collect eagle feathers. The eagle feathers are inventoried and actually numbered and are made available, as you indicate, to native Americans. Perhaps some of my associates here can answer the question as to how broadly the authority extends beyond eagle feathers. Mr. O'Connor, can you add to that in reference to other endangered species?

Senator SCHMITT. This may seem somewhat trivial, but it is not, because as I understand it there has recently been a major series of arrests

dealing with poachers of feathers; 40 people I am told were arrested recently, and it would seem to be one possible solution of this for the native Americans to provide them with a larger inventory of feathers in this facility, including those other than eagle, which are considered important to the native American culture.

Mr. O'CONNOR. Senator, I can't comment on other than eagle feathers, but I do know that our Division of Law Enforcement makes the endangered eagle feathers available to native Americans for their religious ceremonies, and I'm not sure just how that is done, except that there is a procedure set up to do that.

Senator SCHMITT. Could you examine for the subcommittee whether such a procedure could be expanded to include other endangered species? I'm sure that your personnel in the field come across dead representatives of other species that could probably just as easily be inventoried at that facility.

Mr. O'CONNOR. We certainly will, sir.

[The information follows:]

DISTRIBUTION OF EAGLE AND OTHER FEATHERS

The Fish and Wildlife Service is responsible for the distribution of eagle feathers as provided under 50 CFR, part 22.22 to Indians for religious purposes. Service personnel forward eagle remains to the Service managed Pocatello Supply Depot in Pocatello, Idaho which serves as a repository for items that are used by Indians for religious purposes. The Service's Division of Law Enforcement receives applications from Indian officials and distributes the requested parts when it has been determined that the intended use of the parts is authorized within 50 CFR, part 22.22. The Service feels that it could expand this program to include other bird feathers, for example, hawk feathers, used by Indians for religious purposes.

EAGLE FEATHERS

Senator SCHMITT. I think that's one of the major problems that was run into at the latest raid. It didn't involve just eagle feathers. It involved other endangered species.

Mr. HESTER. Yes; it's my understanding that that involved commercial ventures related to the sale of the feathers, not for ceremonial purposes, but for other purposes.

Senator SCHMITT. Well, I think it may have been a combination. My understanding is that a number of the poachers were apparently involved in obtaining feathers for ceremonial purposes. I'm sure there were other motivations besides that.

This would not solve the problem. It might reduce the pressure at least and the market demand that native Americans have for these types of feathers.

Mr. Chairman, I have a few more questions. I will yield.

Senator MCCLURE. Thank you, Senator Schmitt.

Senator SCHMITT. Did you know about the Pocatello facility?

Senator MCCLURE. Yes; I'm aware of that, although I have to confess that the real reason for the importance of eagle feathers in native cultures is that it's a sign of prowess. I'm not sure how getting an eagle feather from a fish and wildlife warehouse is a sign of prowess if they do it other than by moonlight acquisition.

Senator SCHMITT. If you have to go through the bureaucracy——
[Laughter.]
Senator SCHMITT. It would probably be quite a sign of prowess if you're successful.

BALANCE OF SERVICE ACTIVITIES

Senator MCCLURE. I understand. I think there is a serious motivation involved in it, a serious purpose to be served, by making them available, and it might indeed reduce the pressure on poaching. I hope it will.

Doctor Hester, one of the most basic responsibilities of the Fish and Wildlife Service, in my view, is to manage the National Wildlife Refuge System and the National Fish Hatchery System in a responsible manner, both to protect the habitat, wildlife, and fish values they represent and to protect the taxpayers' investment in those lands.

The Service has in excess of $1.5 billion of investments in facilities and equipment in the National Wildlife Refuge System and another 500 million dollars' worth of investments in the National Fish Hatchery System. Additionally the acreage included in the refuge system has more than doubled in the last year.

Do you foresee an reemphasis of operation and management responsibilities in the new administration and a reduction in the recent emphasis you have placed on nonrefuge and nonhatchery operations?

Mr. HESTER. First of all, I think our emphasis on the management and operation of these facilities is reflected in the budget before us today, and the information I have would lead me to believe that it will continue to receive emphasis.

Senator MCCLURE. In your professional opinion, what is the proper balance between the two types of Service activities? And I hope you won't say it's just reflected in the budget. How should the Fish and Wildlife Service balance its activities between the operation and management of the National Wildlife Refuge System and the hatchery system as compared to off-refuge and hatchery work that is done?

Mr. HESTER. Senator, with some hesitation, I do need to come back and explain that I think the way it is presented in the budget has been a very thoughtful process, and my answer is not meant to be offered lightly. We go through a very in-depth deliberation about our budget each year, and we take zero-based budgeting very seriously. We go back to—if we had much less money, what would we do with it? And we build it back in a series of increments such that for any given level of funding, we think we have the best balance that can be made at that funding level. And so the budget as submitted from us to the Department is the best budget that we can come up with, trying to balance the various kinds of responsibilities we have and they include the national wildlife refuges, the national fish hatcheries, and a host of other responsibilities. So our budget is formulated on the basis of that being the best combination for that given level of funding.

Senator MCCLURE. I appreciate that. Let me follow through by asking you, then, if the budget as submitted to the Department is in that balance, does it still reflect that same balance after it gets through departmental review and OMB review?

Mr. HESTER. Certainly there are some adjustments made at those levels, as you would expect, and so it never is exactly the way we proposed it. On the other hand, I respectfully recognize that people with broader responsibilities, such as the Secretary, who can look at things from a somewhat different perspective, certainly have the responsibility and right to make those kind of adjustments. Usually they are fairly minor in terms of the overall budget or tend to emphasize certain things.

ALTERATION OF SERVICE DIRECTION

Senator MCCLURE. In the budget that's before us now, has the balance between these been altered significantly since it left your shop and it reached us?

Mr. HESTER. Senator, the efforts to prepare a revised 1982 budget have considered many alternatives. From my perspective, there is no revised 1982 budget yet. There are many things under consideration.

Senator MCCLURE. I understand that, but perhaps I didn't ask my question clearly enough. Your budget as you prepared it reflected a balance between the on-system expenditures and the off-system expenditures, if I may use that terminology.

Mr. HESTER. Yes, sir.

Senator MCCLURE. Has that balance been significantly altered in the departmental review and in the OMB review in giving us the 1982 budget figures which we now have?

Mr. HESTER. It has been altered. It is not the same budget that we submitted.

Senator MCCLURE. Not the same budget obviously. But is the balance between those two changed?

Mr. HESTER. The balance has changed.

Senator MCCLURE. In which direction?

Mr. HESTER. For greater emphasis for onsite care of our facilities, such as operation and maintenance of our fish hatcheries and national wildlife refuges.

Senator MCCLURE. And a concomitant reduction in the proportion that is in off-system expenditures?

Mr. HESTER. That's correct.

OPERATION AND MAINTENANCE FUNDING

Senator MCCLURE. According to your justification material, on page 90, the Service is proposing a $2.7 million increase over the 1982 base for additional O. & M. on existing migratory bird refuges. On page 108, another $1.1 million increase over the 1982 base for additional O. & M. on existing mammal and nonmigratory bird refuges in 1982. How was the distribution by refuge arrived at?

Mr. HESTER. During the period 1977–80 many refuges were involved in rehabilitation or construction projects under the bicentennial land heritage program. In this relatively short period it was not possible to affect every refuge in the system. however, priority was given to safety, endangered species involvement, rehabilitation of existing facilities, construction of new facilities involving wildlife resources, and construction of administrative or public use facilities.

The new or rehabilitated facilities required increased O. & M. funds and the older facilities continue to require operational funds. All stations were adversely affected by inflation during the years 1977–80.

In order to equitably distribute the O. & M. dollars, personnel in the various regional offices were requested to prioritize their needs. It was felt that the regional personnel were most familiar with the problems on the individual stations. They made a balanced judgment between older facilities which will be adequate for several years and those new projects which must be maintained to retain their effectiveness.

The $2.7 million in the migratory bird program and the $1.1 million in the mammals and nonmigratory bird program will be most helpful in achieving Service objectives for the refuge system.

Senator McCLURE. How do these increases compare in percentage terms to the amount of O. & M. funding in fiscal year 1981?

Mr. HESTER. I think we could respond now by telling you the dollar amounts. It would take us a few minutes to figure out the percentage increase.

Senator McCLURE. What was the 1981 level for migratory bird refuges?

[Pause.]

Mr. HESTER. For wildlife refuges, Senator, in 1981 for all programs combined, it was $69,253,000. For 1982, it would be $80,294,000.

Senator McCLURE. An increase of $11 million, approximately 14 percent.

Mr. HESTER. Something of that nature.

Senator McCLURE. Are these increases adequate?

Mr. HESTER. Senator, I think for the budget level with which we're working, they are a good combination in the sense that they give us renewed expenditures for operating and revitalizing these facilities. I would not characterize them as optimum. On the other hand, I think within the budget constraints and budget climate that we have, it is probably a good boost to the program.

Senator McCLURE. An increase of about $2.2 million over the 1982 base is proposed for operation and maintenance funding on existing fish hatcheries. You state that current O. & M. funding on hatcheries is about one-half of 1 percent of the capital value of the fisheries. You also state that this is not adequate to totally meet the need for O. & M.

What should be the proper percentage relationship of O. & M. costs to capital value, or does that ratio have any relevance?

Mr. HESTER. I would like to ask Mr. Buterbaugh if he could help me with this question.

Mr. BUTERBAUGH. I'm not sure that that ratio has any relevance, Senator.

Senator McCLURE. If it doesn't have any relevance, why was the point made in the justification?

Mr. BUTERBAUGH. To give some perspective on capital investment and how much we are actually using for maintenance. The backlog of maintenance in the hatchery system is roughly $165 million. Of course, that is to be prioritized against everything else in the Service and in the Department, but there is considerable backlog need.

Senator McCLURE. What private industry or State fishery comparisons can you make for us on this point? As a comparative matter, what is the ratio between capital investment and O. & M. in other agencies or private concerns?

Mr. BUTERBAUGH. On fish hatcheries, sir, I've never seen a figure that's ever been compiled in either State hatcheries or in commercial industry. We will provide the information.

[The information follows:]

COST COMPARISONS

Attempts have been made to relate long term maintenance needs in the Service to general maintenance cost of facilities in private industry and other Federal agencies. However, it is exceedingly difficult to develop any meaningful comparisons, because of the basic difference in general objectives of maintenance between private industry and the Government and among Federal agencies. The actions of private industry are ultimately geared toward market conditions and profit incentive. Such things as capital depreciation for tax purposes, which is not a consideration in the Government, are strong factors in the determination of level of maintenance in private industry. Hence, comparative levels of maintenance in terms of percent of capital value has little relevance.

A number of years ago, the Service estimated that about 3 percent of the overall replacement cost of facilities should be provided annually for repair and maintenance. This estimate was based on data secured from such agencies as the Housing and Home Finance Agency and the Public Roads Administration. More recently, a preliminary analysis of maintenance and rehabilitation needs for fish hatcheries and fish research laboratories suggested that, on a direct estimate basis (for example, from various station input forms and reports), about $21.5 million was needed in 1981 for cyclical maintenance/minor rehabilitation ($6.2 million) and major rehabilitation ($15.3 million). As a proportion of current replacement cost (3 percent), the cyclical maintenance/minor rehabilitation requirement would be about $15 million.

Because apparent needs are so large, both in absolute terms and in relation to available funding, and because of tight fiscal constraints, achieving a more effective level of facility repair will depend on large measure on more efficient allocation of available resources. Preliminary efforts are underway for securing the necessary information and establishing the internal procedures to achieve that result.

FISH PRODUCTION INCREASE

Senator McCLURE. You also state on page 161 that the increase of $2.2 million for O. & M. will enable you to increase production of fish by 200,000 pounds. This would be a cost of about $11 per pound. I assume that this increased production is merely one benefit attributable to the increased O. & M. funding, since the average cost per pound of hatchery operations was about 33 cents in 1979, not $11 as you suggested in the increase.

Would you care to comment?

Mr. HESTER. Mr. Buterbaugh?

Mr. BUTERBAUGH. Your figures again were 31 cents versus $11?

Senator McCLURE. Thirty-three cents per pound of fish in 1979. You suggest that a $2.2 million increase will yield a 200,000 pound increase. That's $11 per pound or approximately 33 times the base cost.

Mr. BUTERBAUGH. The increases are generally to provide operations and maintenance funding for the existing production facilities. We're trying to catch up with the backlog on existing production rather than increasing production dramatically. Much of that increased funding goes to restore things that we've been sacrificing to maintain production,

maintenance of facilities and personnel. So it's not all devoted toward increased production. Very little of it would be.

Senator McCLURE. So that the 200,000 pound increase in production is incidental to the $2.2 million increase in expenditure?

Mr. BUTERBAUGH. Yes; that is right. Much of it is for cyclical maintenance which is not directly translated into increased production.

MORE INTENSIVE MANAGEMENT OF FACILITIES

Senator McCLURE. Are there other possible production increases that could be realized through more intensive management of existing capital facilities?

Mr. HESTER. The primary purpose of the request for additional O. & M. funding is not to expand production but to recoup losses suffered in recent years due to inflationary increases in operational requirements such as fish food, utilities, gas, equipment, and other supplies. By reducing such things as custodial maintenance, grounds maintenance, and seasonal labor; altering fish distribution to reduce the number of trips; increasing general efficiency of operations; and deferring cyclical maintenance and minor rehabilitation projects, the Service has, over the short term, been able to generally maintain production levels in the face of inflation. In fiscal year 1980, approximately $300,000 in cyclical maintenance projects were deferred in order to use this funding for basic operations. In 1981, more than $900,000 in cyclical maintenance funding will be redirected for this purpose. This practice cannot be continued indefinitely without ultimately having a significant impact on facility condition and long-term production potential.

The Service is continually striving to improve the management and efficiency of fish production facilities. This is reflected in the long-term improvement in efficiency indicators such as pounds of fish produced per man-year of effort. However, pounds and numbers of fish, taken alone, are not necessarily true indicators of production efficiency. Based on previous studies, the Service has actually reduced production at some west coast anadromous hatcheries in an effort to increase the ultimate return of adult fish to the fishery.

As we develop methods to further increase efficiency, the Service will incorporate them in the overall management of the hatchery system.

FEED ON DEMAND

Senator McCLURE. Are you planning or have you installed in the hatcheries the feed-on-demand system that's been experimented with to some degree?

Mr. BUTERBAUGH. I'm sorry, Senator, I didn't hear the question.

Senator McCLURE. Are you planning to install or are you now utilizing the feed-on-demand system which is in use in some non-Federal hatcheries?

Mr. BUTERBAUGH. We've been experimenting with a number of different systems in the Federal hatchery system. This is one of them. The Canadians are looking at another possible system on salmon. We're looking at all of these systems right now and have not yet made a determination of which one we feel is the most efficient to get the best growth for the dollar.

Senator McCLURE. What has your look indicated to you? Do feed-on-demand systems increase production and reduce costs?

Mr. BUTERBAUGH. No; we feel that it would probably not. In feed-on-demand, fish will eat large amounts of food and generally become heavier than they need to be. They're no longer lean and cannot survive as well in the wild, so our results would indicate that they should probably not be fed on demand but rather on some scientific basis, depending on metabolism and how the fish are going to be used. It would be much less than what they would like to have.

Senator McCLURE. The experimental results in one non-Federal hatchery indicate that they've increased their production by 50 percent by converting to feed on demand, from 22,000 pounds per cubic foot per second of water to 33,000 pounds per cubic foot per second of water.

Mr. BUTERBAUGH. This is probably true if you talk strictly about pounds and all you have is a feeding operation where you're maximizing the pounds of production. If you're looking at it the way we must look at it, which is survival to the fisherman, survival to the commercial or sport fisherman, you have an altogether different set of factors that you have to consider. And a fat, big fish is not necessarily the one that survives the best in the wild. So we must look at it differently than a commercial operator who's trying to maximize his production, particularly if he's in a human market type of fishery.

Senator McCLURE. He's raising food, not sport.

Mr. BUTERBAUGH. That's right.

Senator SCHMITT. If fish were raising humans, I suspect they'd come to the same conclusion.

[Laughter.]

SERVICE RESPONSIBILITIES IN ALASKA

Senator McCLURE. It's good that piranhas aren't in the business.

How do you plan to proceed with the management responsiblities you recently received in the new Alaska refuges?

Mr. HESTER. We have Mr. Schreiner here, who is regional director for Alaska. With your permission, I would like to ask him to respond to that. Mr. Schreiner?

Mr. SCHREINER. Mr. Chairman——

Senator McCLURE. Would you give your name to the reporter, please?

Mr. SCHREINER. I'm Keith M. Schreiner, Regional Director, Alaska, U.S. Fish and Wildlife Service.

Senator McCLURE. Thank you.

Mr. SCHREINER. Mr. Chairman, we are in the process of planning the many, many assignments that the new Alaska land bill gives the U.S. Fish and Wildlife Service. At the present time, we are pert charting the act, each section within each title and task by task within each section. We have about completed those pert charts.

We have had numerous meetings with Federal and State agencies in Alaska, looking at the many places where we work together, coordinate, and so forth. As a matter of fact, later this month we propose to come to Washington here with our staff who have done planning and bring the Washington staff up to speed.

Senator McCLURE. As everyone knows, the acreage of additions to the wildlife refuge system are massive additions. How many man-hours, man-days, or man-years of personnel time has been used in the Arctic Wildlife Refuge in 1979 and 1980? And how many do you expect will be used in fiscal 1981 on that particular refuge?

Mr. SCHREINER. I can't tell you exactly the man-years or person-years in those years, but I suspect it's in the vicinity of 12 to 15. Without looking at the actual figures, I would guess the increase would be easily 5 to 6 man-years. That would be largely devoted to the new mandates in the Alaska National Interest Conservation Act.

Senator McCLURE. Just on the Arctic Wildlife Refuge?

Mr. SCHREINER. Just on the Arctic, yes, sir. Approximately 45 person-years on all the refuges.

Senator McCLURE. And what do you expect that to be during fiscal 1982?

Mr. SCHREINER. Approximately an additional 45 person-years to basically staff the new refuges in 1982.

Senator McCLURE. That would be approximately doubling the amount that had been on the Arctic Wildlife Refuge?

Mr. SCHREINER. I would say it's about a fourth more, Mr. Chairman.

FUNDING FOR REFUGES IN ALASKA

Senator McCLURE. On page 78 of your justification, you propose a $2.8 million increase over the 1982 base for O. & M. activities on Alaska migratory bird refuges, and on page 112, you propose an additional $2.2 million increase over the 1982 base for Alaska mammals and nonmigratory bird refuges. How do these increases compare in percentage terms to the 1981 O. & M. program for these refuges?

Mr. HESTER. The Service is requesting an 85-percent increase for O. & M. activities on Alaskan refuges for fiscal year 1982. This provides consideration of migratory bird, mammals, and nonmigratory bird, as well as fishery resources.

Senator McCLURE. Are these increases adequate?

Mr. HESTER. In view of overall fiscal constraints, these increases are adequate to initiate operations on the nine new and seven expanded refuges.

Senator McCLURE. Would you provide for the record a separate breakdown of other Alaskan activities for fiscal year 1982 and a narrative describing the priorities you attach to each activity?

Mr. HESTER. I would be glad to provide that information, sir.

[The information follows:]

The following table summarizes, by Service program, funding requested to implement the Alaska National Interest Lands Conservation Act (ANILCA) in fiscal year 1982.

FISCAL YEAR 1982 FUNDING TO IMPLEMENT THE ANILCA

Action required	ANILCA references	Program (dollars in thousands)			
		Migratory birds	Mammals and nonmigratory birds	Fishery resources	Totals
Basic management for nine new and seven expanded refuges totaling 76M acres.	Sections 302–304.	2.508	2.010	1.243	5,761
Management of subsistence uses on refuges.	Sections 801, 802, 804, 807, 809, 810, 811, 814, 816(b).	350	400	150	900
Subsistence surveys and censuses.	Section 812	100	200		300
Arctic NWR coastal plain resource assessment.	Section 1002	300	400		700
Totals		3,258	3,010	1,393	7,661

In the context of a very restrictive fiscal climate, the Service has focused its requests for fiscal year 1982 budget increases on the four most important actions from among the large number of requirements of ANILCA. It is absolutely essential to establish a basic management capability and presence on the 16 refuges created by the act from the outset. This will enable the Service to respond to legitimate requests to use these lands and to assure that impacts of such uses on the fish and wildlife populations dependent on this habitat are avoided or minimized. One very high priority use authorized by the act is the subsistence use of renewable products of the land including fish and wildlife by local rural residents. Special attention is required, in cooperation with the State of Alaska, to assure that preference is given to such uses as directed by the act. Due to the potentially significant adverse effects of subsistence uses on fish and wildlife resources and the lack of information about such uses, the act directs the Secretary to undertake research, in cooperation with the State and other Federal agencies, on fish and wildlife and subsistence uses on the public lands.

To provide additional information for further decisions concerning the desirability of developing the oil and gas potential of a major segment of the coastal plain on Arctic NWR, the act establishes a compressed schedule for fish and wildlife resource studies and seismic exploration of the 1.4 million acre study region. Initial baseline fish and wildlife studies must be completed by June 2, 1982, and guidelines for seismic exploration established by December 2, 1982, in order for a report to be submitted to Congress presenting recommendations concerning any further exploration and development by December 2, 1985.

REVISIONS

Senator McCLURE. Do you anticipate Reagan revisions to the Alaska initiative identified in the justifications?

Mr. HESTER. The current Service budget request for Alaska activities is $6.2 million below the original request. As a result, the Service will defer three of the four fish and wildlife studies and the reimbursement to the State of Alaska for establishing the subsistence preference program will be transferred to the Office of the Secretary. In addition, the amount requested for basic management of refuges in Alaska has also been reduced as has funding for fishery subsistence surveys and censuses.

SIZE OF REFUGE SYSTEM

Senator McCLURE. One of the major driving forces for O. & M. costs for the Service is the overall size of the refuge system. There are certainly levels of intensity of management, and more personnel may be required on one refuge than upon another. But overall the size of the refuge system is the driving force for personnel requirements. Has the Service developed an overall long-range plan to determine an ultimate size to the refuge system?

Mr. HESTER. We do not have the ultimate planned size of the refuge system.

Senator McCLURE. Do you have any idea of what you would talk about in terms of an optimum wildlife refuge system, if there were such a thing?

Mr. HESTER. We do not have an ultimate size. We frankly are not able to forecast some types of things that come along. Mr. Myshak might have something that he can add, since he is responsible for the refuge system.

Mr. MYSHAK. Mr. Chairman, I think to come up with a master plan, if you will, for the ideal refuge would be an extremely difficult task, because each refuge is created for a uniqueness that it possesses. Therefore, it would be difficult to come up with a common plan to fit each refuge.

However, I should inform you that we have engaged ourselves within the past year in a master planning process on about 10 to 14 refuges, 2 in each of our 7 regions of the United States. What we are trying to do there is develop a pattern, if you will, which then can be used as a basic model from which other refuges can then short-circuit a lot of the planning process and come up with a master plan for each and every refuge in the Fish and Wildlife System.

We include such things as economic uses, visitor uses, the habitat manipulation, and anything related to that particular refuge. We would hope funding should be available to complete that task in maybe 5 to 10 years.

Senator McCLURE. But nothing in the sense of determining how much of the country or within any of the regions is the optimum level of total acreage of fish and wildlife refuges?

Mr. MYSHAK. No, sir. I think the inhabitants, the critters, if you will, that we are requiring these refuges for will determine the size and magnitude that is necessary.

Mr. HESTER. Senator, I might add, there is one additional aspect. That is, what happens off of those refuge lands, in terms of the ability of fish and wildlife to use those lands, in itself has an important bearing on how much refuge land we need. So if the Nation's wetlands are protected, for example, the need for protection is somewhat different than if they were lost outside the refuges.

The other part of this balance that we talked about earlier comes into play here, because our other responsibilities help us to look at what is happening in habitats across the Nation, including outside the refuge boundaries.

CURRITUCK OUTER BANKS, NORTH CAROLINA

Senator McCLURE. On December 30, the FWS issued a press release stating that the Currituck Outer Banks, North Carolina, was being recommended as an NWR. The Currituck Outer Banks proposal involves nearly 16,000 acres, with 157 improvements such as cottages and another 3,211 platted lots. Would all of those lots be proposed for acquisition? What does the Service estimate the land acquisition or easement acquisition costs to be? Are these expenses necessary and can they be justified?

Mr. HESTER. We will provide that for the record.

[The information follows:]

CURRITUCK OUTER BANKS

The Service's proposed boundary for the Currituck Outer Banks National Wildlife Refuge encompasses 15,880 acres and includes the acquisition of about 3,211 platted lots of which 157 are improved. For residential buildings, the proposal provides permanent residents as of December 31, 1979 an extended use reservation for their lifetime and the lifetime of their children and provides seasonal residents or those with building permits as of December 31, 1979, a 25 year use reservation.

The Service proposes to acquire uplands in fee title and to acquire wetlands by conservation easement or, if the owner desires, in fee title. The total cost to acquire the 15,880 acres proposed over a 5-year period would be between $90 and $100 million. The lower figure is based on acquiring all wetlands by conservation easements and the higher figure is based on acquiring all wetlands in fee title.

The Outer Banks support endangered species such as the bald eagle, peregrine falcon and threatened species such as the loggerhead turtle. The area not only provides habitat in Currituck Sound for 6 percent of the Atlantic Flyway's wintering waterfowl population but is also important to sport and commercial fishery resources. Other species of special interest, such as osprey, hawks, least tern, willets and black rail nest on the area. The Currituck Banks ecosystem is one of the largest undeveloped coastal barrier ecosystems remaining on the east coast. It is integral to and mutually dependent on the natural areas already protected as Back Bay National Wildlife Refuge, Mackay Island National Wildlife Refuge, and False Cape State Park. Development of the outer banks will undoubtedly change the physical and biological conditions which support a myriad of important wildlife and fishery resources. The Service deems the proposal necessary and justifiable. However, the Department is currently reviewing all land acquisition proposals including the Currituck Outer Banks proposal.

Senator McCLURE. Are you satisfied that we have been able to put enough money into O. & M. as compared to acquisition costs? Are you in the Wildlife Refuge System running into the same problems that the National Park System has run into, that the acquisition has outstripped our capacity to manage appropriately?

Mr. HESTER. I don't think there is any question that we need to put emphasis on operation and management. That is one of the reasons it shows in the budget as our primary emphasis area for fiscal 1982.

In general, the lands that we have do not require intensive management. In fact, some of those in Alaska do not even require roads or other improvements of that nature. In that sense much of the land can be preserved, as is, without intensive management. My feeling is we have a fairly good balance.

CONSOLIDATION VERSUS EXPANSION

Senator McCLURE. You don't see us entering into a period when consolidation of existing refuges becomes the primary operating objective rather than further expansion?

Mr. HESTER. We have done some consolidating of refuges in Alaska as part of the overall Alaska lands plan, and we from time to time make some consolidations from the standpoint of management efficiency. That, from our perspective, is simple good business to take several small refuges and manage them as a single complex.

Senator McCLURE. Are there refuges currently in the system that should be transferred to nonrefuge status?

Mr. HESTER. Possibly. I think they would have to be looked at on a case-by-case basis.

Senator McCLURE. None comes to mind?

Mr. HESTER. We are well aware that to do so would require congressional approval.

Senator McCLURE. I understand that. But you are not at all slow to recommend additions. I just wonder if you would be as quick to make the recommendation, if your analysis would indicate that there are some that could or should be transferred to nonrefuge status?

Mr. HESTER. I would be glad to take a look at it.

Senator McCLURE. But obviously you haven't.

Mr. HESTER. I have not.

Senator SCHMITT. Would the chairman yield on that point?

Senator McCLURE. I am not suggesting that that should be the conclusion, but I think you ought to look at the refuges to see whether or not congressional enactments and the changes and patterns of land use and pressures have reduced the continued necessity for a refuge that might exist. I am not at all certain that I would find any such examples, but I would certainly think, as we go through a process of constant acquisition, we should also be revising our estimates of the utility of the existing refuges to determine whether or not they still are as justified as they were at the beginning.

Mr. HESTER. I understand.

[The information follows:]

DISESTABLISHMENT OF REFUGES

The Service will soon complete a 10-year land acquisition plan to accomplish its mission "* * * to provide, preserve, restore, and manage a national network of lands and waters sufficient in size, diversity and location to meet society's needs for areas where the widest possible spectrum of benefits associated with wildlife and wildlands is enhanced and made available." The plan will address the Migratory Bird Conservation Act and Land and Water Conservation Fund acquisitions, and outline a process that will identify those lands presently in the system no longer serving their intended purpose. The Service must insure that it does not retain lands that are no longer needed for protection of fish and wildlife resources. The plan will also address the role of the States and other public and private agencies.

A recent example of the Service's continuing analysis of the need for refuge lands is contained in the December 1980 draft environmental statement, *Proposed Disposition and Administration of Lands Declared Excess by the U.S. Navy and the Islands of Culebra and Culebrita in Puerto Rico.* This statement proposes, among other things, to deed the Commonwealth of Puerto Rico 262 acres of Culebrita Island, a part of the Culebra NWR since 1909, plus 936 acres of excess (Navy) lands on the island of Culebra. Should final decision be as proposed in the DEIS, congressional authorization in the form of legislative action would be necessary.

Senator McCLURE. And not continue to blatantly administer ad infinitum without having looked at the basic justification.

Yes, I would be happy to yield.

Senator SCHMITT. Doctor, a couple of times you have referred to the Alaska situation as if it were somehow representative of other situations that your Service faces. I would submit to you that it is not, just because of the different scale involved in the refuges.

The Alaskan system tends to be large enough that it is self-managing. It is as close to true wilderness as one can define in that the refuges are large enough that there is a self-management capability, where in the lower 48, for the most part, the refuge system consists of small units that require much more intensive management in order to protect them.

Would you agree with that generalization?

Mr. HESTER. There are some differences in addition to differences in size. However, my experience has been that refuge areas in Alaska are not necessarily all pristine. They are subjected to a great many types of forces, including the harvest of animals on and off of the refuge. That has a great deal of impact on what is there. I do not look at them quite as just wilderness area.

Senator SCHMITT. I did not use wilderness with a capital "W." I used it as an indication for an environmental characteristic.

Mr. HESTER. I would agree.

Senator SCHMITT. That is scale and internal natural management.

Mr. HESTER. In terms of scale and in terms of degree of management, they are somewhat different than those in the lower 48 States, for the most part.

Senator SCHMITT. The chairman's questions, I think, if I interpret him correctly, were more with reference to the lower 48 type of problems where human population pressures, where size and other environmental characteristics require much more intense management than would an Alaskan situation.

Senator McCLURE. I think the Senator is correct in general. However, let me suggest that that changes from time to time. On many of the refuges in the lower 48, there have been oil and gas drilling or other commercial activities which present quite a different challenge to refuge management.

As a matter of fact, if the Arctic Wildlife Refuge were opened to exploration for oil and gas then the management requirements in that refuge would change dramatically from what they now are.

Senator SCHMITT. I just want to be sure that we don't overgeneralize, using Alaska as an example.

Mr. HESTER. Yes, sir.

Senator SCHMITT. That applies to what I view, at least in my State, as a more typical wildlife refuge situation.

Thank you, Mr. Chairman.

Senator McCLURE. I have some further questions, but let me yield to Senator Burdick who has some questions he would like to ask at this time.

MITIGATION METHODS

Senator BURDICK. Thank you, Mr. Chairman.

The State of North Dakota and the conservancy district have spent many hours with the Fish and Wildlife Service developing new approaches to mitigation. All parties reached a signed agreement. Are you ready to move forward in implementing these approaches? Could you give the committee a description of the agreement? Are you familiar with this?

Mr. HESTER. I would like to ask if Mr. Spear could help me with this.

Mr. SPEAR. Mr. Burdick, I am not that familiar with the agreement. Is this the recent one we had resulting from discussions between the State and the conservancy district? I don't think I am familiar with what you are calling the agreement per se. Is this the result of the recent discussions between Service and the State, the conservancy district?

Senator BURDICK. Yes; this was just recently, the last 2 or 3 months.

Mr. SPEAR. I believe that agreement indicates some new ways of possibly looking at the issues. I am not aware that any specifics have resulted as of yet from that agreement.

Senator BURDICK. Could you advise us if and when there are any new approaches that have been implemented?

Mr. SPEAR. As far as I know, we are continuing on that track with the agreement on the approaches that were developed with the last administration. I have not heard there has been any change in policy. We will provide additional information for the record.

[The information follows:]

GARRISON DIVERSION PROJECT MITIGATION APPROACHES

The State/Federal Mitigation Study Group has recommended that alternative mitigation methods be studied in relation to whatever final project design is approved. Since changes in the project design will change impacts to wildlife, we agree to this approach. In the meantime, it is our understanding that the Water and Power Resources Service will purchase qualifying mitigation lands from willing sellers on a schedule concurrent with project construction activities.

MITIGATION LAND PURCHASE

Senator BURDICK. Are you willing to implement the willing seller only policy for the purchase of mitigation land as directed by this committee last year?

Mr. SPEAR. As of now I think we are only buying from the willing seller. The amount of money is very small for mitigation lands. I am not aware that there is anything other than willing sellers.

I think that there has been a general long-term agreement that for the life of the Garrison diversion project that would not necessarily be the only approach, but I am quite sure that right now that is the approach being taken.

Senator BURDICK. In other words, you will continue the willing seller theory?

Mr. SPEAR. Yes; we will continue it as we are now.

Senator BURDICK. Congress authorized a mitigation and enhancement plan for the Garrison diversion project which was agreed upon by the Fish and Wildlife Service, and the State of North Dakota Conservancy District. Now the Fish and Wildlife Service wants to change this plan to one of restoration of drained wetlands. This involves some of the most productive farmland. Native farmers are irate because this good farmland had been identified by the Fish and Wildlife Service for the Garrison diversion unit. Would the Fish and Wildlife Service be willing to remove those productive lands from their identified list and work with the State conservancy district on something more reasonable? In other words, why are farmlands taken?

Mr. SPEAR. Mr. Burdick, I don't believe, partly as a result of the discussions we have had up there over the last couple of years, that we have been taking the prime lands. We have been working with the willing sellers and we have gone through our lists at the direct request from Secretary Andrus in the past. We have gone through our list and determined those lands which were less than prime farmlands, and you might say accelerated our interest in purchasing those for mitigation purposes, those prime farmlands.

I think that the overall lists that are developed contain a lot more than the acreages needed. In other words, these are potential options. There is not a list that says that we will buy this, this, this and this. It is a total set of options available, hoping to identify willing sellers within those, and also hoping to identify those which are less than prime farmlands.

Senator BURDICK. I want to amend that word "prime" to good. There are some good productive lands. They may not be prime in some terminology, but in that list, according to the information I received, they are designated to taking good farmland. Is that final?

Mr. SPEAR. As I indicate, my understanding is that the list contains a lot more than what is needed. What we are identifying is what would be suitable mitigation. I am trying to say here is a set of options we can choose from and work with WPRS, who is the actual purchasing agent.

It is our responsibility to identify the options available. As you recognize, mitigation funding has been very low, so we have not gone very far into the list.

Senator BURDICK. When you say that includes much more than you intend to take, it could cause a lot of trouble out there, you know, because everybody thought his farm was going to go.

Mr. SPEAR. I think we are put in a very delicate situation in the sense that if you would try to put down a list that looked like this is exactly what we take, then we would run into a great deal of problems in that there would be little flexibility within the overall arrangements. We tried to come up with a list and tried to make it clear to people that it wasn't necessary that every item on this list would be taken. These are the things that fit the mitigation criteria.

Senator BURDICK. The exact losses to wildlife by the construction of the Garrison diversion project has never been quantified in the report by the FWS. Will the FWS produce these statistics for review?

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Mr. SPEAR. We will do our best, Mr. Burdick. It is my understanding that the mitigation report does indicate the number of acres of wetlands that would be lost.

GARRISON DIVERSION PROJECT WILDLIFE LOSSES

The 250,000-acre Garrison diversion project will result in a 73,000-acre wetlands loss. Sixty thousand acres will be lost to drainage, and 13,000 acres will be adversely affected by project features. This represents a loss of nesting habitat for waterfowl and habitat for many other wildlife species, including furbearers, shorebirds, pheasant, sandhill crane, and white-tailed deer. In addition to the wetlands losses, the project will result in losses of 66,000 acres of native grasslands and 4,000 acres of woodlands. Some 70,000 acres of managed impoundments in National Wildlife Refuges will be adversely affected by return irrigation flows and other project features.

LAND OFFERED FOR SALE

Senator BURDICK. Several thousand acres of land have been offered by landowners to the Garrison diversion unit by willing sellers. FWS has refused to purchase this land because they claim they do not meet their drained wetlands criteria. Will FWS give consideration to review these lands for predatory mitigation since their drained wetland program has no authorization?

Mr. SPEAR. Mr. Chairman, the subject of whether or not the drained wetland program has authorization has been a long-standing subject of dispute. The policy, as far as I know at this time, is that we are continuing along with the drained wetland policy with the willing seller approach.

If lands were offered by willing sellers that did not meet that basic mitigation philosophy, it is quite possible that we would indicate that we were not interested in those lands for mitigation. They may not have the mitigation and wildlife potential.

However, it seems to me that all these policies are continuing under review, and the position of the new administration is not known yet.

LAND ACQUISITION FOR MITIGATION

Senator BURDICK. Will you please tell the committee whether or not you have acquired wildlife mitigation lands on a schedule far in advance of the actual construction schedule? And if so, is this customary?

Mr. SPEAR. I don't have the answer to that. I will provide it for you.

[The information follows:]

GARRISON DIVERSION PROJECT MITIGATION LANDS ACQUISITION

Wildlife mitigation lands have not been purchased in advance of project construction, and it is not customary to do so. According to the last statistics received from the Water and Power Resources Service, the Garrison diversion project is 16 percent complete and the wildlife mitigation plan is 6 percent complete. The Water and Power Resources Service has acquired approximately 9,000 acres for mitigation purposes.

WILLING SELLER ACQUISITION

Senator BURDICK. Can you obligate all mitigation funds provided for the Garrison project on a willing seller basis?

Mr. SPEAR. I will provide that information for the record.

[The information follows:]

The Fish and Wildlife Service is attempting to locate suitable lands that can be acquired for wildlife mitigation purposes for the Garrison Diversion Unit on a willing seller basis. The Service has identified a surplus of suitable mitigation acreage, which improves prospects for acquiring the needed mitigation acreage from willing sellers. However, past experience shows that in order to consolidate holdings within a manageable boundary for management purposes, condemnation will be needed toward the end of the acquisition schedule.

PROBLEMS WITH WILLING SELLER ACQUISITION

Senator BURDICK. Servicewide do you have problems obligating funds on a willing seller basis?

Mr. SPEAR. I will also provide that information.

[The information follows:]

The Fish and Wildlife Service has been able to acquire 85 percent of the land authorized for National Wildlife Refuges from willing sellers; condemnation has been necessary for the remainder. Condemnation has been used as a last resort during the final phases of the acquisition schedule when the remaining lands within a defined boundary must be acquired in order to start management.

WETLAND LOSSES

Senator BURDICK. One last question here.

The Harza Engineering Co. of Chicago reports that "clear and complete documentation is lacking" as to how the FWS identified or quantified wetlands losses that might be attributed to the Garrison diversion project. Without such documentation, it is possible to speculate that some double counting or overestimation of losses has occurred. Furthermore, the report declares that the criteria used by FWS for the Garrison diversion project both in assessing project impacts and identifying compensatory mitigation programs "are considerably more stringent than those used by the same agency in assessing impacts requiring compensation for other projects."

The report cites less stringent criteria used in evaluating the impact of the Oahe project in South Dakota and the Oahe projects in North Dakota. In particular the Oahe project is not assessed for any adverse affect on wetlands, and is assessed for only a 6-percent loss of wetlands, including unarable land, and is not required to replace wetlands on a 1-to-1 basis.

All these steps are required in the Garrison project under new mitigation acreage concepts of the FWS and the rationale for such a difference is that U.S. FWS policy is not clear.

Based on the Harza report, could you inform the committee whether or not different criteria have been used on the Garrrison project and other budgets which are also assessed by your agents?

Mr. SPEAR. We will look into that, Mr. Burdick, and provide you with a report.

[The information follows:]

GARRISON DIVERSION PROJECT MITIGATION CRITERIA

The same methodology was used in evaluating the Garrison diversion project and determining fish and wildlife mitigation needs as is used for other such projects.

INTERWATERSHED FISH AND WILDLIFE COMMUNICATION

Senator BURDICK. Mr. Chairman, I have a series of questions I have been asked to submit for more answers.

Senator MCCLURE. Certainly, Senator Burdick. I just might indicate that Senator Andrews had planned to be here this morning to submit some questions in person. I understand his wife is ill and he was unable to be here for that reason. But certainly I would make the statement of his extreme concern and interest that he has expressed to me personaly and I know that you know of his interest as well.

Those questions will be submitted. Both questions and answers, when they are received, will be made part of the record.

Senator SCHMITT. Mr. Chairman, one brief follow-up to Senator Burdick's questions, which is more of a scientific nature.

Is the Service conducting any kind of research or has it conducted research dealing with interwatershed fish and wildlife communication? That's one of the issues obviously in the Garrison project—the fear that somehow some adverse communication will occur. What about natural communication? Is there any research on what happens naturally?

Mr. HESTER. Natural movement of fish from one body of water to another?

Senator SCHMITT. One watershed to another.

Mr. HESTER. Yes: there have been a number of things. One is research that deals with barriers of one kind or another. This varies all the way from ways to prevent sea lampreys, for example——

Senator SCHMITT. I'm not interested in how to prevent it. I'm interested in whether it occurs naturally, whether or not this isn't a tempest in a teapot to give protection that's already occurred and does occur as a natural process.

Mr. HESTER. There have been some studies of fish movements and their being in adjacent watershed and things of that nature.

Senator SCHMITT. Could you provide the committee with a brief summary of some of those studies and what their conclusions were?

Mr. HESTER. I'd be glad to.

Senator SCHMITT. Thank you.

[The information follows:]

FISH MOVEMENT BETWEEN WATERSHED

Studies of fish movement have shown that in certain instances over geological time, intermittent "stream capture" across a watershed divide has resulted in limited species movement between watersheds where it may not normally occur. This happened before modern times in the Rocky Mountains and is still occurring in the Appalachians. There are some places where headwaters of two basins are separated by a pond, marsh, or meadow with a very small elevation. Floods have been known to temporarily interconnect the watersheds in these locations. Actual movement of fish across these connections is not confirmed but is strongly indicated in some instances. Also flooding of ponds and impoundments may cause distribution of fish into a new watershed.

In most cases, fish become more widely distributed due to man's activities—direct transplants, or indirectly by opening of waterways allowing for the fish to move voluntarily. Examples of direct planting in U.S. waters would be the brown trout, rainbow trout, coho salmon, European carp, and grass carp. Examples of indirect transplants are: the sea lamprey and alewife via the Welland Canal into the upper Great Lakes: the gizzard shad via the Chicago Canal into Lake Michigan: the rainbow smelt via the Mohawk Canal into Lake Erie: and the Owens sucker via irrigation diversions from the Owens to the Santa Clara systems in California.

Impacts of these transplants and movements can be beneficial, detrimental, both, or neither. The detrimental economic impact of the sea lamprey on the commercial lake trout fishery was estimated at over $6 million per year during 1955–76. Alewives inhibited the reproductive success of deepwater ciscoes, yellow perch, deep water sculpins, and emerald shiners. European carp have drastically altered marsh habitat, destroying wildlife food. The introduction of brown and rainbow trout has had mixed effects. Both species have provided excellent fishing, in many cases an improvement over the former situation. However, these two species are able to biologically outcompete spotted char and cutthroat trout and have severely curtailed populations of these two species. Introduction of coho salmon into the Great Lakes has been a boon to the sports fishing and tourist industry. As a result, alewife became beneficial as the principal forage base for the coho salmon. Introductions such as the Owens sucker in California have had no discernable impact. New additional impacts (for example: the spread of fish diseases and parasites and fish hosts of human diseases and parasites) continue to come to light in the scientific literature.

Additional methods by which fish are introduced into new waters are: ornamental fish grown or held in ponds by growers and importers which are subject to flooding; fishermen deliberately stocking a nonnative species in hope of providing additional fish for sport and food; fishermen releasing nonnative bait fish which may survive and later reproduce; deliberate stocking of exotic or nonnative fish for specific, nonfishery purposes such as control of mosquitos or aquatic plants; home aquarists dumping unwanted fish or deliberately planting "exotics" to see if they will survive locally; inadvertent introduction of a species that has infiltrated a batch of fish being intentionally introduced; and unsubstantiated speculation that eggs or young fish may be transported on the feet of wading birds or that fish are transported by waterspouts.

The Service is currently conducting research on the beneficial and harmful impacts of exotic species on native fish and habitats. This research, and allied activities, are carried out at the Service's Exotic Fish Research Laboratory at Gainesville, Fla. We are not, at this time, conducting research specifically aimed at examining interbasin transfers within the continental United States.

WILD HORSES AND BURROS

Senator SCHMITT. Yesterday in appearing before the Commerce Committee on a different issue, Secretary Watt was asked about wild horses and burros. He indicated that he was very concerned about the damage that is being done in many western States by protected herds of horses and burros.

Would you give us some idea of what direction your Service is going in to try to control that damage?

Mr. HESTER. We have wild horses and/or burros on six of our national wildlife refuges. On several of those refuges they're able to come and go, on and off of our land; on some, they are permanently on the land—that is, there's a fence around them.

As I recall, the Fish and Wildlife Service is specifically exempted from the Wild Horse and Burro Act in those cases in which the horses and burros remain on our lands, but if these are horses and burros shared with BLM or other land entities and they can come and go, then they must be managed, the same as they would be on BLM lands. But as I say, this is on only six of our national wildlife refuges. In those cases where we have the authority to manage them, we do manage them by such things as rounding them up and selling them if we feel there are excessive numbers of them.

Senator SCHMITT. Is it primarily the BLM's responsiblity to handle this problem and you only get involved where you have, as you say, migration across the refuge boundaries?

Mr. HESTER. That's correct. We regard this as only a minor Fish and Wildlife Service matter, mainly because of the very thing you're talking about. It's primarily BLM lands and a BLM response to the act. As I say, in some cases we have the authority to manage because the animals stay on our land all of the time.

Senator SCHMITT. Are there any situations where you have refuge/private land boundaries where there's migration?

Mr. HESTER. I'm not aware. Mr. Myshak, are you?

Senator SCHMITT. Or State land.

Mr. MYSHAK. I'm not aware, unless it would be in the southwest along the Colorado River on the Imperial, Cibola, and Havasu Refuges.

Senator SCHMITT. Does the BLM consult with you in their management activities?

Mr. MYSHAK. Yes, sir, down in the southwestern part of the United States. There are three refuges there. There's excellent cooperation between BLM and us. That's principally where the Horse and Burro Act applies. We're very cooperative with them and, vice versa in the handling and disposal of excess critters.

Senator SCHMITT. Have they begun to work with you in any kind of new approach or new management philosophy with the new administration?

Mr. MYSHAK. It's too premature for that yet, Mr. Chairman.

PREDATOR MANAGEMENT

Senator SCHMITT. Just for the chairman's interest, Secretary Watt seemed to be very concerned yesterday about this problem, and it looked as if there might be a fairly—considerably more aggressive management philosophy instituted soon.

I am not sure that Idaho is subjected to the kind of problems that Wyoming and other States are from the wild horse population, but I suspect they are.

Senator MCCLURE. We have a problem.

Senator SCHMITT. Now with respect to coyotes and eagles, could you summarize the direction that the Service is headed in the predator management, particularly with respect to sheep populations and also whether the proportion of your research versus operational personnel in this area is sufficient to actually provide control activities?

Mr. HESTER. Senator Schmitt, I could summarize for you the position that the Department and the Service has had for the past couple of years. There is no new policy as yet by the new administration. It's quite likely that one may be forthcoming.

With reference to the balance and whether there is sufficient control, I think the question of level of control is one that relates to the level of funding and the level of effort and can be translated in that way. I think the Fish and Wildlife Service can provide control and solution to the problem to the extent that the Congress asks us to do it and provides us resources to do it. And whether we are doing it sufficiently now is a matter of judgment of yourself, sir, as well as others.

I can tell you some things about control that we have, and I'll be glad to answer any other further questions.

Senator SCHMITT. We're seeing in east central New Mexico an apparent rapid increase in the eagle population, and that's sheep country, but without any commensurate increase in the trapping activities in order to protect the lamb population from those eagles. The numbers are something like an estimate of at least 300 eagles in the Chaves County area versus a few trappings.

Do you have any plans in the near future to increase the efforts at eagle trapping?

Senator MCCLURE. If you've got 300 eagles in Chaves County, we'll make a special refuge in the county to protect the eagles.

EAGLES IN CHAVES COUNTY, N. MEX.

Senator MCCLURE. What information can the Service provide regarding the 300 eagles in Chaves County, N. Mex.?

Mr. HESTER. We will be glad to provide that information for the record.

[The information follows:]

NEW MEXICO EAGLES

Based on field observations by Service personnel, the eagle population in Chaves County consists mostly of immature birds, about 80 to 90 percent, and currently is about equally distributed between bald and golden eagles. However, we cannot provide an estimate of the population size from the information we have available. There have been more eagle/lamb depredation control requests in this area this year than last year—about a five-fold increase. This may be a reflection of a larger eagle population. However, lambing this year in parts of Chaves County has been about 1 month earlier than last year, increasing the overall vulnerability of newborn lambs to eagles. We expect most of the eagles to leave the area around the end of March and migrate northward.

SHEEP RANCHERS

Senator SCHMITT. There's been some suggestion that the sheep ranchers could make a far better living feeding coyotes and eagles and harvesting them, rather than trying to make a living off the sheep.

Senator MCCLURE. I was just looking at a coyote coat for my wife. I find out there's quite a difference between the price of the pelt on the coyote and the price of the pelt on the rack.

[Laughter.]

Mr. HESTER. Senator Schmitt, the only comment I feel I can make is that we will try to be responsive to the problem that exists. I will ask our regional office to try to help with that problem.

Senator SCHMITT. I hope that you will. We're entering the lambing season. It's probably going to be early this year. There are obviously different ideas on how seriously the eagles affect the lambs, but part of this is perception, and part of it's reality, I'm sure. And the population of eagles is increasing quite rapidly in the area, which is in itself, I guess, nice to see, but you do reach a limit, and it seems to me that with both the eagle and the coyote population protected far more than the sheep population is, that we're staring some major economic difficulties square in the face in that part of New Mexico and in many other parts of the country, I'm sure.

So I hope that you will look at that and also maybe provide for the committee, so that we don't prolong this line of questioning, an analysis

of the proportion of operational people in this area versus research people. I think it's 141 operational and 107 research. If you'd just provide for the record a brief analysis of what the research people are doing and why that seems to be the appropriate ratio of personnel.

Mr. HESTER. Yes, sir, I'd be glad to.

[The information follows:]

ANALYSIS OF PEOPLE IN ADC BETWEEN OPERATIONS AND RESEARCH

The table below shows fiscal year 1982 Federal authorized full-time permanent positions for the ADC program by resource management and reimbursable funding. It also shows estimated fiscal year 1982 non-Federal full-time personnel for the ADC program.

	Federal		
	Resource management	Reimbursable	Non-Federal
Operations	141	40	330
Research	107	10	0
Total	248	50	330

The resource management personnel are those supported by the Service's fiscal year 1982 $17.8 million budget request for the ADC program. The reimbursable personnel are those supported by reimbursements from other Federal agencies or the States for services provided them by the ADC program. The non-Federal personnel are State or county personnel supervised by the ADC program under cooperative agreements between the Service and the States and counties authorized by the Animal Damage Control Act of 1931 (7 United States Code 426–426b).

The distribution of Federal personnel between operations and research is appropriate because research findings are freely available to all and usually are applicable in many States, dealing with man/wildlife problems that are not confined to a singel State. These conditions favor a centralized effort. The greater cooperator involvement in operations on the other hand helps to adapt operations to their individual needs.

Animal damage control research is active in three major problem areas: (1) predator damage to livestock; (2) bird damage, including damage to crops, nuisance and disease problems, and aircraft hazards; and (3) small mammal damage to crops and forests. In each of these areas three types of research are underway: (1) problem definition (that is, damage assessment); (2) methods development (that is, testing of specific tools or methods to alleviate problems); and (3) basic biological ecological studies leading to better understanding of problem species in order to focus methods development most efficiently. A major effort within methods development involves development of data required to register (and reregister) chemical tools needed to alleviate damage problems. About 15 percent of ADC research funding is expended on problems definition, about 45 percent on methods development, and about 40 percent on basic biological/ecological studies.

ANIMAL DAMAGE CONTROL PROGRAM

Senator SCHMITT. I'm a great believer in research, but I also believe in you all having enough personnel to control the serious problem that the Federal Government basically has created for these sheepherders.

Mr. HESTER. One thing I would like to mention now is that a lot of people who work in the animal damage control program are not actually shown, because they are not full-time employees, but we will include that in the analysis.

Senator SCHMITT. You mean personnel involved in other Fish and Wildlife activities?

Mr. HESTER. I'm referring to people employed in a cooperative way with the States or counties to carry out animal damage control activities.

Senator SCHMITT. The numbers I gave were for full-time personnel. You're implying that there are part-time personnel involved?

Mr. HESTER. I'm saying there are other types of employment in addition to those shown full time on our rolls, but I will include that in the analysis.

Senator SCHMITT. Please do. Thank you.

Mr. Chairman, were you going to ask questions about the total permanent positions authorized, increases and decreases?

Senator MCCLURE. We don't have any questions prepared on that. If you'd like to submit questions on that——

Senator SCHMITT. Yes; we will submit some questions.

REORGANIZATION

Senator MCCLURE. Thank you. In regard to the animal damage control, which is a matter of concern to you as well as to us, in May 1980 the Service proposed a reorganization of the staff offices, including the merger of the Office of Wildlife Assistance with the Division of Animal Damage Control into a new Division of Wildlife Management. Did that reorganization take place?

Mr. HESTER. Yes, it did.

Senator MCCLURE. Are any personnel reductions in the animal damage control program anticipated?

Mr. HESTER. Mr. Myshak, would you answer that?

Mr. MYSHAK. No, sir; there are none anticipated.

Senator MCCLURE. Will such reorganization improve the animal damage control program's effectiveness?

Mr. MYSHAK. We think it will, Senator McClure, inasmuch as it was merged with the former Wildlife Management Office. Both Wildlife Management and our Animal Damage Control Office now virtually complement each other in their activities. Therefore, we brought it into one unit rather than having two separate divisions operating independently of each other. They're working together now on comprehensive planning and operations and allocation of resources.

Senator MCCLURE. I think you would understand that there's a great deal of concern among land users, a concern about predator damage, that reorganization would really submerge the ADC into the other goals of the companion group that was brought in.

Mr. MYSHAK. Senator McClure, it may from an organizational chart have submerged it, but the problems associated with animal damage control, as far as the importance we place on it, have not been submerged; I can assure you of that.

TOXIC CONTROL TECHNIQUES

Senator MCCLURE. Does the Service intend to continue or increase research on the use of the 1080 toxic collar?

Mr. HESTER. Senator McClure, we have been operating, as you know, under rather specific guidance by the Department on this matter. We will continue under existing policy until the policy is changed.

Senator MCCLURE. Would the Fish and Wildlife Service recommend that additional research be conducted on that program, based on your

professional judgment, considering the prospective development of other control techniques?

Mr. HESTER. Senator McClure, the indication I have is that the Secretary will be looking at this very important and very controversial area of animal damage control. We will be working with him on various options and offering our expertise and our judgment on the alternatives. Other than that, I think it's premature because the new administration does not yet have a new policy, but has indicated an interest in reexamination of some of these items.

Senator MCCLURE. I understand that, and I understand, too, that you must follow policy directives. I would expect that you would do so. You did when Secretary Andrus established that policy, but I do know from talking to a number of your field personnel and others who've worked for the Fish and Wildlife Service that they were restive under that policy directive. The toxic collar was one of the areas in which research should continue, and their professional judgment told them that it was better than some of the alternatives that they were being forced to rely upon.

I guess I'm not asking you to suggest that you're going to do what the policy does not permit you to do, but if you were permitted to make your own policy, would the policy direction include further research on the effectiveness of the toxic collar?

Mr. HESTER. Yes; we're doing some research on the toxic collar now; and given that opportunity, we would look at it in a broader context.

Senator MCCLURE. What is EPA's position on the experimental use of 1080?

Mr. HESTER. They have approved our use of the 1080 in the toxic collar. They have continued to approve that at intervals consistent with our providing them the reports and data about the research so far, so that they have approved our continued experimentation with the material and the toxic collar; and I should point out, that has been EPA's position. I do not know if there will be any change with the new administration.

Senator MCCLURE. What has EPA's position been with respect to the use of a toxic material control program if held within the hands of professionals and not made available to ranchers or the general public?

Mr. HESTER. Perhaps Mr. Myshak can help me answer that question.

Mr. MYSHAK. I think under Secretary Andrus' new directive in 1979, EPA went along with us on letting the Fish and Wildlife Service direct types of experimental and even actual use of, say, 1080 on public lands.

Mr. HESTER. Mr. Chairman, I might just simply add that one of the aspects of the registration is the question of its control and its use and who uses it and their professional qualifications. Some materials have been registered, as you imply specifically for use by professionals. Our experience has been that the registration is somewhat easier to obtain if we can assure that it will be used by people who are familiar with the product and how it should be used.

Senator MCCLURE. My feeling has been and remains not that I am not open to suggestion, but I have listened to all of the arguments by people on all sides of this issue, and it seems to me that the professionals of the Fish and Wildlife Service and the Animal Damage Control

Unit were using toxic methods successfully and without unacceptable damage to nontarget species in a way which was perhaps the most constructive part of the animal damage control efforts, certainly from the standpoint of cost effectiveness, far less costly than alternatives.

I would personally not like to see us abandon the limitation on the uses that confine it to the hands of professionals who are trained in and sensitive to the potential for damage as well as the potential for the targeted control that comes with the toxic programs. Unfortunately we have not yet found anything that is a more specific toxic agent, more specific toward canines, than 1080.

Isn't that correct?

Mr. HESTER. That's my understanding. While we keep looking, we haven't yet found a substitute that is as effective or as closely and narrowly targeted, or one that is as safe to use.

COYOTE CONTROL

Senator MCCLURE. How is the coyote population responding to control programs? Is the coyote population increasing or decreasing?

Mr. HESTER. We make inventories on coyotes through census techniques. My experience has been that the numbers tend to go up in some areas, and down in other areas. Perhaps Mr. Myshak can give us an overall answer. We could provide, for you, documentation as to the population changes in various parts of the West over time.

Senator MCCLURE. Mr. Myshak.

Mr. MYSHAK. I can't add any more.

Senator MCCLURE. Would you provide that for the record, please. I would like to take a look at that. Not only the aggregate numbers, but the method by which those numbers are determined, and the range of estimates and the range of agreement or disagreement among local agencies and user groups.

Mr. HESTER. Yes, sir.

[The information follows:]

COYOTE POPULATION TRENDS IN THE WEST

The index of predator abundance in the West is based upon an annual survey of "scent post" routes where visitations by coyotes and other predators are recorded on systematic basis. No population estimate is derived from the survey, but rather a comparative index of relative abundance. There is no current method of estimating actual coyote numbers.

The following table shows survey results from 1972 to 1980 for coyotes:

TREND IN COYOTE VISITATION RATE, WESTERN UNITED STATES

Years compared	Number of route lines	Average index		Percent change	Probability
		First year	Second year		
1972–73	316	107	118	+10	95
1973–74	335	116	127	+10	95
1974–75	334	127	120	-5	80
1975–76	354	129	120	-7	90
1976–77	363	115	99	-14	99
1977–78	335	104	109	+4	50
1978–79	325	105	108	+3	55
1979–80	302	111	109	-2	44

These data indicate an upward trend early in the period, followed by a decrease to approximately 1972 levels by 1977 and a relatively stable population since. Although State data are not presented here, it should be noted that of the 20 States included in the survey, only 6 showed statistically significant changes between 1978 and 1979 (4 up and 2 down) and only 4 differences were significant between 1979 and 1980 (2 up and 2 down).

There may still be some controversy over the reliability of the survey, based primarily on attempts to interpret the data too narrowly. Likewise, we have found little direct correlation between changes in the coyote scent post survey and livestock losses. High incidences of predator losses often relate to local situations, not measured by the scent post survey.

ANIMAL DAMAGE CONTROL PROGRAM

Senator McCLURE. What about the alligator and other ADC controlled populations?

Mr. HESTER. Alligator populations are not controlled by the animal damage control program. However, occasionally the program will help a State to trap and relocate alligators causing problems. The program responds to complaints generated by many species of wildlife, however, even in the case of the coyote damage prevention, efforts could not be considered so extensive as to have the effect of controlling populations.

Senator McCLURE. Are coyote populations shifting eastward, into Pennsylvania, Ohio, Illinois, and elsewhere?

Mr. HESTER. Yes; we have reports that coyotes have been sighted in all of the eastern States. It is quite apparent that the range of the coyote is expanding and problems will likely develop in the East as coyote numbers increase. The Service has already sponsored several coyote damage control workshops in cooperation with the States of Maine and Vermont.

PREDATOR DAMAGE CONTROL PROJECT

Senator McCLURE. Last year you testified that a 5-year predator damage control project was being developed and would be in place by July 1, 1980. This year's justifications state that a 5-year plan for predator research is still under development. What is the status of that plan?

Mr. HESTER. Mr. Myshak?

Mr. MYSHAK. To date, Senator, we have developed criteria and guidelines for documentation of losses, unacceptable losses, and the benefits of control. All these things have received final approval. The plan is not done. As a matter of fact, according to my schedule and the schedule of

one of my deputies, we will not have such a plan done for another year. There are a number of reasons:

With the advisory committee being brought into the play of this, they have to have a role in it; second, there seems to be a good deal of disagreement within the Department over the last year or so over certain definitions of phrases and words in the Secretary's decision document, and we've had to wrestle with those, because if you're talking about "documented losses," you have to know what a documented loss is. We have finally gotten agreement to some of these things.

I think you're looking at another year, at least another year, before a final plan will be completed on animal damage control.

Senator McCLURE. A year from now? You won't make it by July 1, 1981?

Mr. MYSHAK. No, sir.

Senator McCLURE. Will you make it by July 1, 1982?

Mr. MYSHAK. We'll give it our best.

Senator McCLURE. Your best usually produces results.

Mr. MYSHAK. Yes.

ADC PREDATOR RESEARCH PLAN

Senator McCLURE. What types of public participation have been included in its development?

Mr. HESTER. To date there has been no public participation in the development of the 5-year predator research plan. A draft has been completed and is ready for review and comment by the Predatory Animal Damage Control Research Advisory Committee established last fall by the then Secretary of the Interior. The committee is made up of representatives from the western livestock industry, environmental groups, academia, and State and Federal Governments.

Senator McCLURE. How much has been expended to date on the plan and how much more is neded to complete it?

Mr. HESTER. To date the Service has expended about $5,000 on the plan. We estimate an additional $20,000 will be required to complete it.

Senator McCLURE. I wonder if you could give me, for the committee, a report on what decisions have been made, what agreements have been reached; what is a verified loss; what does it take to verify the loss sufficiently well so we can go into the statistical base of loss; whether or not you have reached an agreement as to how much loss is necessary before control methods are justified, and whatever other information may aid us in a determination that progress is being made in the development of that plan.

Mr. MYSHAK. Yes, sir; we'll be glad to provide that.

[The information follows:]

ANIMAL DAMAGE CONTROL IMPLEMENTATION PLAN

In the implementation of former Secretary Andrus' Animal Damage Control Policy Decision, the following definitions and guidelines have been approved:

Offending animal.—The individual animal or local population within a specific area causing damage to human health and safety, to other wildlife or to forest, range, and agricultural resources.

Denning.—In the conduct of approved control operations, coyote pups may be taken only when it is determined that they would starve to death if left in the den. The

pups then may be removed from the den by hand excavation and humanely dispatched by shooting.

Documentation of losses.—In response to requests for service and prior to commencing control activities documentation of loss and/or damage will be made. Documentation, recorded on forms RI–44 or R2–208 or their equivalent, will include such information as: losses classified as either confirmed or unconfirmed, amount and type of loss/damage, approximate value of loss/damage, wildlife species responsible, date of loss/damage, actions taken, results of actions, and other information pertinent to the loss/damage. Confirmed losses are losses verified by animal damage control program personnel. Unconfirmed losses are losses reported by those suffering the losses. Determining the need for control activities is not solely dependent upon confirmed losses, it may also include a professional evaluation of unconfirmed losses. That is, information considered above reproach and documented as unconfirmed losses may also be utilized in determining the need.

Determination of unacceptably high level of loss.—An unacceptably high level of loss is dependent upon losses that have occurred during all or part of the past 12 months and an on-ground evaluation.

An examination of the past should include an evaluation of past predator losses, extent of such losses, the season that losses occurred, the pattern and/or rate of losses and an evaluation of previous control activities. The on-ground evaluation should include those factors that may contribute to high depredation. such as topography, vegetation, high predator population, low prey base or factors limiting the use of certain control methods.

Only after the record of losses during all or any part of the past 12 months has been documented and an on-ground evaluation has been conducted and all indications are that such loss or damage will reoccur in the absence of control activities can a project area be determined to have an unacceptably high level of loss.

If it is determined that operational control is necessary to alleviate the losses or damages and the on-ground evaluation is positive, then the District Field Assistant (government trapper) may initiate corrective control. However, approval to conduct control operations on areas with a history of high predation losses but prior to any current losses must be made by the animal damage control program State supervisor.

FISHERY MITIGATION EFFORTS

Senator McCLURE. I have a number of other questions along that line which I will submit.

I want to talk a moment about mitigation efforts.

What is the status of the Columbia-Snake River Basin fish and wildlife mitigation project?

Mr. HESTER. Mr. Buterbaugh?

Mr. BUTERBAUGH. Senator, if you're referring to the Corps mitigation plan and the O. & M. funding for fish hatcheries, as you're aware in the present budget we have $707,000 in operational money for operation of the fish hatcheries reconstructed by the Corps of Engineers. The total funding for that, after all construction is completed, is approximately $7 million annually.

Senator McCLURE. In O. & M.

Mr. BUTERBAUGH. In O. & M. costs.

Senator McCLURE. The acquisition costs are in the Corps budget?

Mr. BUTERBAUGH. That's correct. I believe that's $58 million, something like that. The acquisition costs are in the Corps budget, and the O. & M. costs are in our budget.

Senator McCLURE. I assume that you're in contact with the Corps to determine what the progress is on that program.

Mr. BUTERBAUGH. Yes, sir; we are in continual contact with the Corps, and as the money is appropriated in their budget to build these

facilities, we put it in our budget process when they come on line. And when they are ready for operation, we hope we will have the money for operations.

CONTRACTING FOR FISH PRODUCTION

Senator McCLURE. Has the Fish and Wildlife Service ever contracted for production, rather than only for facilities?

Mr. BUTERBAUGH. Yes, sir; we have, in various parts of the country and for varying species, with varying degrees of success.

Many of the fish that we use, or that we stock from Federal hatcheries, are specific strains for the waters. They're native to the waters that we're stocking. They are a specific strain that we know has characteristics that make them better able to adapt in the wild.

When you go to the commercial industry, most of the species that they have available are the ones that you referred to earlier, that could grow fast and are ready for the market, and are not really the type of fish that we need.

Senator McCLURE. All right. Assuming that that's correct, and I have no reason to either doubt or question what you say, they go into a rather standard facility for hatching and rearing. Whether they be a commercial product or a State fish and game product, or a Fish and Wildlife Service species or strain, they can be reared in substantially the same surroundings, varying from species to species?

Mr. BUTERBAUGH. That's correct.

Senator McCLURE. That is correct, is it not?

Mr. BUTERBAUGH. Yes.

Senator McCLURE. Have you looked at the comparative economics, the costs of contracting? You provide the stock and they provide the facilities to rear, as compared to the costs of acquisition?

Mr. BUTERBAUGH. We have not done so recently, but in the past, when we have done this, considering all the various factors, the fish rearing in Federal hatcheries is competitive.

One of the problems we run into is disease problems. In the Federal Hatchery System, we can closely control what comes on and off the hatcheries. And we can control the disease status and know it on a day-to-day basis.

When you contract commercially you don't always have this control, because they have other operations going on, and it's far more unpredictible in terms of controlling that.

Senator McCLURE. Isn't it possible to establish by contract appropriate controls to be able to control that aspect?

Mr. BUTERBAUGH. It would be possible, but it would almost tie up that facility so they could not bring other fish onto the facility—which is what we do in many cases in the Federal hatcheries. We restrict any other fish coming into the facility unless we can demonstrate they are disease free.

In a commercial enterprise, where they have fish coming and going at all times of the year, if we were to even offer a contract like that, in many cases they wouldn't be interested, because they must carry on other kinds of work. But this could be done.

Senator McCLURE. It could be done.

Mr. BUTERBAUGH. It could be done.

Senator McCLURE. If there were such a facility available, and people who were willing to enter into long-term contracts under those conditions, would you find that an acceptable alternative to ownership and management?

Mr. BUTERBAUGH. We would certainly consider that; yes.

Senator McCLURE. The reason I asked that is, the Corps is involved now. They intend to acquire some hatchery facilities. There are commercial operators in the same area, that said, "Give us a chance to bid on it. We'll contract for it. We'll rear them for you."

I think they are aware of all of the considerations that you have mentioned, and they have said they're ready to comply, and willing to. They represent that the costs of production will be far lower because the Federal Government would not have to acquire and own the facility.

I don't know how long a contract it might be necessary to enter into, but I would think that if you could enter into an immediate contract, you would gain the time that is consumed in the construction of a project at the front end. The only protection you would need on exit is to be able to construct a Federal hatchery at the end of the contract—or before the end of the contract—to pick up, without a gap in the production schedule; is that not correct?

Mr. BUTERBAUGH. That would be correct, Senator.

Senator McCLURE. So if you could get a 3-year contract that was renewed on an annual basis, or extend it for another year on an annual basis, you would probably have enough protection for the continuity of the production program.

Mr. BUTERBAUGH. Correct. We have not had any direct contacts with the commercial growers. We have heard about this, but apparently, their discussion has been with the Corps. We'd be happy to sit down with them to discuss this.

Senator McCLURE. The Corps is about to spend $12 million to provide a hatchery, and they don't care—it's all appropriated within the mitigation program, and once they get it built, they turn it over to you. And you contract with the State to operate, and everybody will be happy, except the taxpayer.

I'm not sure that that's necessarily a rational way to approach that problem, although I recognize that you would have a lot fewer potential headaches if you only had to deal with your own people, and you don't have to deal with others.

TETON DAM MITIGATION

What is the status of the fish and wildlife mitigation for the Teton Dam? What was the money used for? And what was provided for mitigation purposes?

Mr. HESTER. I'd like to ask Mr. Spear to comment on that.

Mr. SPEAR. Mr. Chairman, I have a report which was recently received on that subject. It covers many aspects of mitigation—on-site mitigation, off-site; and it talks about the raceways, access points, minimum stream flows, pumping plant screens, and land acquisition and fencing on-site.

Land acquisition for wildlife, there's been 846 acres acquired, and it will be managed for wildlife.

Senator McCLURE. Who will pay the O. & M.?

Mr. SPEAR. This doesn't indicate who would pay it. Sometimes the WPRS pays it. Sometimes we pay it in our budget.

Senator McCLURE. It was anticipated that the O. & M. for mitigation features would be paid by the irrigators, but since there is no dam, and therefore no irrigation benefits, they're understandably reluctant to pick up the burden that has no benefits to them.

Mr. SPEAR. Those features usually get worked into the contract arrangements.

Senator McCLURE. Could you provide for the record an answer to that question?

Mr. SPEAR. Yes, sir.

[The information follows:]

TETON DAM MITIGATION O. & M.

The Water and Power Resources Service will budget for O. M. & R. costs for wildlife mitigation measures. It estimates costs of $70,000 per year for the Tex Creek area and $4,000 per year for the Cartier Slough area.

Fishery mitigation measures were not implemented because of the failure of the dam. The measures included hatchery facilities to produce fish for reservoir stocking and angler access to the river below the dam. A study is now being considered which would provide information to determine what, if any, mitigation measures are needed. Three angler access points to the river will probably be developed on land already owned by the Federal Government.

ACQUISITION FOR MITIGATION

Mr. SPEAR. At Tex Creek we have acquired a little over 9,000 acres; and at Cardie Slue, 454 acres have been acquired.

Senator McCLURE. Could you give me the dates of acquisition and the costs of acquisition?

Mr. SPEAR. Yes, sir, I will. I don't have it on here.

Senator McCLURE. If you would provide that for the record. Because I don't know the contracts entered into and when the land was purchased at all.

Are there further expenditures to be made in terms of acquisition for mitigation? Are there funds remaining available?

Mr. SPEAR. It looks, from what I have here, that all land acquisition has been completed.

Senator McCLURE. Could you verify that for the record.

Mr. SPEAR. I will verify that.

[The information follows:]

TETON DAM MITIGATION LANDS ACQUISITION

A little over 9,000 acres of wildlife mitigation lands have been acquired in the Tex Creek area and 454 acres have been acquired in the Cartier Slough area. Three parcels of land have been acquired in the Tex Creek area. The 1,457-acre Schluter Tract was obtained on November 19, 1974, for $545,000. The 5,137-acre Law Tract was obtained on August 23, 1974, for $685,000. The 2,519-acre Smith Tract was obtained on May 9, 1975, for $375,000.

A single parcel of land was acquired in the Cartier Slough area. The 454-acre Keller Parcel was obtained on September 8, 1976, for $132,500.

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All land acquisition for wildlife mitigation purposes has been completed. Approximately 10,400 acres of private land were acquired for big game, waterfowl, and furbearer mitigation. Wildlife mitigation efforts have essentially been completed. The total amount of mitigation originally requested was reduced to account for natural recovery of some of the terrestrial wildlife habitat values in the former pool area. However, much of the formerly inundated area will remain unproductive as wildlife habitat because of pre-impoundment clearing, huge landslides, and erosion of top soil.

TETON DAM FUTURE MITIGATION

Senator McCLURE. Are there other mitigation efforts to be undertaken in the future, other than the management of these some 10,000 acres of land?

Mr. SPEAR. It looks like—fencing. I think that's part of the management.

Senator McCLURE. Fencing these acquired lands, or fencing the proposed reservoir area?

Mr. SPEAR. The fencing for 17 miles for protection of winter range.

Senator McCLURE. Protecting the winter range on the reservoir?

Mr. SPEAR. Yes; that was the on-site mitigation.

Senator McCLURE. Well, you know, the winter range will recover to the point that it was before. Why do we have mitigation when the reservoir has been drained?

Mr. SPEAR. Mr. Chairman, I'll have to check that.

[The information follows:]

Fisheries mitigation requirements are not yet known. Pre-impoundment clearing activities, landslides, and ongoing erosion have completely changed the aquatic habitat conditions in the Teton River. The Water and Power Resources Service is currently investigating the need for a fishery research study of the Teton River within the former pool area. Results from such a study compared to pre-project conditions would provide the necessary information to determine mitigation needs.

DWORSHAK DAM MITIGATION

Senator McCLURE. Would you please. What is the status of Fish and Wildlife mitigation measures for the Corps of Engineers and Dworshak Dam?

Mr. SPEAR. I don't have any details on that, Mr. Chairman.

Senator McCLURE. You know, that dam has been built and filled for almost a decade, and mitigation has not been carried out.

If mitigation was necessary to save the elk herd, it sounds to me like it might be a little late. Would you check with your field personnel and find out what you can from their perspective? I've talked to the Corps. I know what their perspective is.

Mr. SPEAR. Yes, sir; we'll provide the committee a report.

[The information follows:]

The original fishery resource mitigation goals appear to have been reached. The Dworshak National Fish Hatchery has been able to produce sufficient numbers of rainbow trout and other fish to stock in the reservoir and steelhead trout to stock below the dam in recent years. The original fishery goals did not include measures to protect the instream habitat values below the dam, except for minimum flows. Instream needs, as well as flow fluctuation impacts on the harvest of steelhead trout, will be addressed in studies/assessments associated with the feasibility stage of the Army Corps of Engineers' planning for the proposed Dworshak fourth generator unit.

Construction of the reservoir resulted in the flooding of the elk wintering range. Elk can now move to Hughes Point, which has been obtained for mitigation purposes;

however, during a severe winter the animals are unable to move downstream. The extension of the mitigation area to include Smith Ridge and the development of habitat to increase the forage base would help to sustain wintering elk in that area.

The total recommended wildlife mitigation acreage is 26,000 acres. This goal has not been reached. There presently are about 9,500 acres being developed for wildlife mitigation. Another 12,000 acres are available in the lower reservoir area: however, the Corps need operations and maintenance funds to operate these lands for wildlife mitigation purposes. There are approximately 4,700 acres in Smith Ridge, which is presently owned by the Idaho Department of Lands, that are geographicaly most suitable to complete the mitigation package.

Completion of mitigation goals have been delayed by the problems with the transfer of Smith Ridge from the Idaho Department of Lands to the Forest Service, disagreement over which agency will bear operations and maintenance costs, and disagreement over which wildlife resources should be mitigated. The Idaho Department of Lands has determined that it would transfer Smith Ridge to the Forest Service in exchange for one of four parcels of land (Charlie Creek, Anthony Peak, Elk River Unit, or Benton Creek/Butte Creek area), but the Forest Service contends that such a transfer would be acceptable only if it does not receive a net loss in forest holdings. The Forest Service does not agree that it should withdraw the Smith Ridge lands for the Corps of Engineers subsequent to the Forest Service/State exchnage, which would result in a net loss of forest holdings. There is reason to believe that the Forest Service could manage these lands under a 1971 agreement with the Corps; however, the Forest Service objects to the single-use management of these lands.

The Corps of Engineers has established a deadline of May 1, 1981, for an agreement on the proposed tranfer. The Corps and the Idaho Department of Fish and Game have recently exchanged correspondence to circumvent these unresolved problems. The Fish and Wildlife Service is hopeful that a workable wildlife mitigation plan for Dworshak Dam may be mutually planned and agreed upon by the Corps and the Federal and State wildlife resource agencies this fiscal year.

ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. I have a number of other questions which I will submit for the record. We'll leave the record open for 2 weeks for response to the questions which we will be submitting.

Mr. HESTER. Yes, sir.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Additional Committee Questions

Habitat Preservation

Question: Let's go back now to the Habitat Preservation Program. How does this program compare in the Service's priorities to the Service's on-refuge activities?

Answer: With the reductions that have recently taken place in Habitat Preservation, the Service considers the funding levels for on-refuge activities to be properly balanced with the Habitat Preservation Program. Habitat Preservation provides a viable and much cheaper alternative means for conserving important fish and wildlife habitat while leaving it in private ownership as compared to costly and sometimes unpopular land acquisition programs. This is even more true now in light of proposed reductions in the Service's land acquisition activities. Under this program, the Service facilitates the planning of land and water resources developments by the timely input of fish and wildlife information and recommendations which enables needed developments to go forward while at the same time providing for the conservation of fish and wildlife resources. Thus this program yields benefits in terms of both economic development and fish and wildlife conservation.

Question: Do you anticipate reductions in this program when the Reagan revisions are finalized?

Answer: The Fish and Wildlife Service anticipates a substantial reduction in the Habitat Preservation Program in FY 1982. President Reagan's FY 1982 budget includes $36,137,000 for this program. This is $16,682,000 less than the Carter FY 1982 budget, a reduction of 32 percent. The reductions are shown below by program:

	FY 1982 Carter	FY 1982 Reagan	Change
Environmental Contaminants Evaluation	12,526	11,191	-1,335
Land and Water Resources Development Planning	17,350	12,962	-4,387
Biological Services	18,028	11,983	-6,045
Cooperative Units	4,915	-	-4,915
	52,819	36,137	-16,682

The Relationship of the Fish and Wildlife Service and EPA in Monitoring Contaminants

Question: What is the relationship between the Service and the EPA in the monitoring of environmental contaminants?

Answer: The relationship between the Service and EPA in monitoring of environmental contaminants is complimentary and supportive without duplication of effort. These complimentary and supportive efforts are achieved through the coordination of National and system-wide monitoring programs. The Service participates, as does EPA, in the National Pesticide Monitoring Program and the Great Lakes International Fish Contaminant Monitoring Program. The Service's efforts in both these programs

are directed towards monitoring contaminants in selected species of fish and wildlife to provide information on resource issues related to contaminants. Monitoring programs within EPA utilize water, sediments, and fish species (generally different species from those monitored by the Service) for the purpose of environmental/human health protection and regulatory enforcement. The statistical design, sample requirements, and analytical procedures employed by the Service and EPA are structured differently to meet these separate but complimentary information needs.

Question: Do States have similar programs?

Answer: Yes, to varying degrees States monitor environmental contaminants. Such State programs are generally directed towards site specific investigations and for pollution control purposes, whereas Federal efforts provide a system-wide and/or National perspective of environmental contaminants.

Service Monitoring Activities

Question: Please describe for us briefly the operation of the National Pesticide Monitoring Program and the role of the Fish and Wildlife Service in that program. What other agencies (local, State, and Federal) are involved?

Answer: There are 12 monitoring networks in the National Pesticide Monitoring Program (NPMP); these networks monitor selected materials, such as soils, crops, air, fish, water, and human tissues, as representative indicators of environmental and human health contamination from pesticides and other chemicals. The NPMP is structured to provide information on the trends of residue levels in these representative materials over time and by geographic location nationwide. These 12 networks are maintained by the Fish and Wildlife Service, the Environmental Protection Agency, the Department of Agriculture, the Department of Army, the Geological Survey, the Food and Drug Administration, the National Marine Fisheries Service, and the National Institute of Health. Three of the NPMP networks are maintained by the Service to provide complimentary information on representative species of the aquatic and terrestrial ecological food chains. The three networks are:

Freshwater fish network - Approximately 110 predetermined sites are maintained. Samples from one-half of the sites are collected one year and from the other half the following year/ Two bottom-feeding species and one predator species are collected at each site.

Starling network - Samples are collected every three years at approximately 120 predetermined sites throughout the 48 contiguous States. Starlings are representative of terrestrial feeding bird species.

Waterfowl network - Waterfowl wings are collected every three years from the 48 contiguous States and Alaska in conjunction with the Waterfowl Parts Survey conducted by the Service.

Waterfowl wings represent wetland bird species feeding in aquatic systems.

Question: Also, please describe briefly the Service's role in the Great Lakes International Fish Contaminant Monitoring Program and list the other agencies involved.

Answer: The Service participates in the Great Lakes International Fish Contaminant Monitoring Program by providing the collection of fish at 12 stations in the Great Lakes and Lake St. Clair. The Service analyzes these fish to identify unknown organic and metal contaminant residues of potential concern to fish and wildlife resources. Samples of these fish are subsequently provided to the Environmental Protection Agency to conduct chemical analysis for selected compounds for which environmental standards have been established. Participating agencies include the Fish and Wildlife Service, the Environmental Protection Agency, Environment Canada, and the Ontario Ministry of Natural Resources. Matching programs are performed by Canadian agencies for fish species within their territorial waters.

Question: How much will be expended in FY 1980, 81, and 82 on these activities?

Answer: The costs of Service monitoring activities are: FY 1980 - $650,000; FY 1981 - $643,000; FY 1982 - $627,000.

Question: Does the FWS have authority under these programs, or other statues, to directly control or attempt to control actions by individuals or businesses using potentially hazardous chemicals or materials? If so, please give us some examples where these regulatory powers have been used.

Answer: The Fish and Wildlife Service does not have authority under these programs to directly control actions by individuals or businesses. However, the Federal Environmental Pesticide Control Act of 1972 (7 U.S.C. 136-136(y)) and the Federal Water Pollution Control Act (33 U.S.C. 125-et. seq.) authorize the Service to provide data and information on monitoring and the extent of pollution impacts on fish and wildlife. In addition, the Fish and Wildlife Coordination Act (16 U.S.C. 661-667(e)) requires that Federal agencies shall first consult with the Fish and Wildlife Service whenever a proposed Federal action may affect any stream or other body of water. The Service is authorized to provide recommendations to minimize project related impacts on fish and wildlife resources. Federal agencies shall give full consideration to these recommendations. Service field operational personnel have, for example, summarized data on the relatively high levels of DDT and Toxaphene detected in fish and wildlife from the Arroya Colorado area, located along the lower reaches of the Rio Grande River in Texas. This information was provided to local, State, and Federal agencies to pinpoint the source of the problem and to further the development of adequate water quality standards.

Question: How much has the Service spent in 1980 and 1981 on these activities, and how much is proposed for FY 1982?

Answer: In its advisory role on contaminant impacts to fish and wildlife resources, the Service spent the following: FY 80 - $1,650,000 and FY 81 - $1,982,000. In FY 82 the Service proposes to spend $1,930,000. These figures reflect the costs of Service monitoring and field operations for environmental contaminants.

Role of Fish and Wildlife Service in Contaminants Problems

Question: What is the role of the Fish and Wildlife Service with regard to the disposal of dredged spoil; ocean dumping; abandoned mine drainage; the use of agricultural pesticides, insecticides, and fertilizers; offshore crude oil spills; pipeline ruptures; storage requirements for toxic chemicals; and other such activities?

Answer: The role of the Fish and Wildlife Service in relation to the environmental contaminants identified in the question is, in general, to provide research information; review of proposed federally funded, permitted or licensed land or water developments; technical assistance and advice; pollution response to oil and hazardous substance spills; and advanced planning. For clarity, the involvement of the Service in each environmental contaminant issue identified is addressed separately.

Disposal of dredge spoil; ocean dumping: Service involvement extends to dredge, fill, and other activities affecting water bodies that are sanctioned, permitted, assisted, or conducted by the Federal Government. This involvement includes the issuance of permits by the Corps of Engineers for ocean dumping of dredged material under Section 103 of the Marine Protection, Research, and Sanctuaries Act of 1972 or Section 404 of the Clean Water Act of 1977.

Abandoned mine drainage: Service activities are directed towards developing information and, where appropriate, technical assistance and recommendations for alleviating dangerous and undesirable impacts of acid mine drainage on populations of fish and wildlife. Our information and data are made available to Federal, State,and local government agencies and to private companies (coal, phosphate) and citizens.

Agricultural pesticides, insecticides, and fertilizers: On National Wildlife Refuges agricultural pesticides, insecticides, and fertilizers are permitted for use on crops grown on these lands. Depending on the kind of pesticide and its use pattern, each proposed use is reviewed and approved by specialists in risk and hazard assessment. Pesticides to control aquatic weeds and fish parasites in National Fish Hatcheries are also reviewed. Research investigations are conducted to identify potential or suspected resource impacts.

Offshore crude oil spills; pipeline ruptures: The Service's role in offshore crude oil spills and pipeline ruptures is focused through the National Oil and Hazardous Substances Pollution Contingency Plan. The Service participates by providing technical information to prevent fish and wildlife damages through pre-spill

planning. When spills occur, the Service provides technical assistance and information to alleviate impacts to fish and wildlife resources and their habitats. Service response is limited to "major" spills or those in which habitats and/or populations of anadromous fish, migratory birds, marine mammals, endangered or threatened species, or lands managed or controlled by the Service are jeopardized.

Storage requirements for toxic chemicals: The development of storage or disposal site requirements with regard to chemicals is a regulatory function, generally accomplished by EPA or a similar State agency. The Service has no direct regulatory function in this issue; however, because most legislation designed to reduce the adverse impacts of chemical storage or dump sites requires the regulatory agency to consider environmental quality, including fish and wildlife, the Service provides expertise upon request.

Question: Does the Service have authority to prescribe how such activities are to be carried out?

Answer: As indicated above, the Service is not a regulatory agency with regard to the above issues. However, the Fish and Wildlife Act of 1956 (16 U.S.C., Sec. 742a) and the Fish and Wildlife Coordination Act (16 U.S.C., Sec. 661, et. seq.) provide authorization to make investigations, reports, and recommendations concerning the above issues to alleviate, prevent, and abate such impacts to fish and wildlife resources.

Question: Is that authority restricted to cases involving some imminent threat to refuge lands or endangered species or is it a broader authority?

Answer: The Service has broad authorities and responsibilities with regard to the Nation's fish and wildlife resources; and specific statutory authorities for protecting migratory birds, endangered species, marine mammals, and anadromous fisheries. Specific to refuges, there are numerous legislative Acts, such as the Lacey Act of 1900 and the National Wildlife Refuge System Administration Act of 1966 ("Organic Act"), which provide for protection of refuge lands with regard to pollution. The authorities vested in the Service with passage of the Endangered Species Act of 1973 with regard to the processes by which endangered species are exposed to contaminants allows that the actions of other Federal agencies, including regulatory actions, shall consider the impacts on endangered species and their habitats.

Project and Permit Review Activities

Question: The Land and Water Resources Development Planning activity highlighted on p. 24 of your justifications "provides environmental expertise in accordance with legislative mandates to Federal and State regulatory, construction, and planning agencies for matters relating to fish and wildlife resources." Does the FWS have a statutory veto power to stop Federal or State projects with which it is not in agreement?

Answer: The Fish and Wildlife Service does not have statutory authority to stop Federal and State projects. The Fish and Wildlife Coordination Act, the Fish and Wildlife Act

of 1956, the National Environmental Policy Act, and other Federal statutes provide for the Service to have a consultative role via the review of permits, licenses, and projects which could adversely impact fish and wildlife resources. Federal law does not require the adoption of the Service's recommendations; however, it requires that the conservation of fish and wildlife resources be given "equal consideration" along with other features of federally funded, permitted, or licensed land and water development projects.

Question: Would you describe the process for resolving issues raised by the Service in its review of other agencies activities?

Answer: The Fish and Wildlife Service has formalized coordination procedures with several Federal agencies in memoranda of understanding or agreement. These agreements generally establish investigational procedures and the methods by which the Service provides fish and wildlife information and recommendations. The Memorandum of Agreement between the Secretaries of the Army and the Interior, signed in March 1980 provides a formal process whereby permit cases with unresolved differences between the two agencies at the field level are elevated to higher levels for resolution. Permits involving an environmental impact statement can be sequentially elevated to the Division Engineer, the Chief of Engineers, the Assistant Secretary of the Army for Civil Works, and finally the Secretary of the Army by comparable Department of the Interior officials if the issues are not satisfactorily resolved at the lower levels. Permit cases not involving an environmental impact statement, but involving policy questions, significant cumulative impacts, or substantial individual impact, can similarly be referred to the Assistant Secretary for Civil Works level. All other permit cases can be elevated only to the Division Engineer level. The intent of the agreement is to expedite the processing of permits, and it requires that actions be taken within strict timeframes. If differences cannot be resolved through the referral process established in the Memorandum of Agreement, the appropriate Department of the Army official has the final decision on permit issuance.

The Service does not have a formal referral process with other permitting and licensing agencies or with Federal construction agencies. However, cases involving issues related to potentially adverse impacts on fish and wildlife resources may be referred to the Washington level for further review and consideration at the request of the Department of the Interior, even though the decisions are made by the licensing or construction agency. In the case of Congressionally authorized Corps of Engineers and Water and Power Resources Service projects, the report prepared by the Service under the Fish and Wildlife Coordination Act is required by the Act to be appended to any authorizing documents submitted to Congress.

Question: Do State fish and game agencies have a similar vote?

Answer: Yes, State fish and game agencies are consulted by Federal licensing and construction agencies on projects within

their respective boundaries. The Fish and Wildlife Coordination Act requires Federal agencies planning, assisting, or licensing water development projects to consult with the head of the appropriate State agency with a view to the conservation of fish and wildlife resources.

Question: Do the affected Federal agencies have their own wildlife expertise?

Answer: Yes, most Federal agencies involved in the planning, assisting, or licensing of land and water resources development projects employ professional biologists to assist them in meeting the requirements of the National Environmental Policy Act, the Fish and Wildlife Coordination Act, and other Federal statutes.

Question: Can you tell us how many fish and wildlife experts these agencies have on their employment rolls?

Answer: The following information was obtained from a report titled "Occupations of Federal White-Collar Workers" published by the Office of Personnel Management. The Report contains statistics on employees by occupational series by agency as of the date of the report, October 31, 1979. Employees involved in project and permit review activities fall into three principal occupational series; wildlife biologists, fishery biologists, and fish and wildlife biologists within the general biological sciences occupational series. According to the report, there were 1,159 wildlife biologists in the Federal Government; 855 in Interior, 226 in Agriculture, 31 in Army, 15 in Commerce, 8 in EPA, and 24 in miscellaneous other agencies. There were 1,305 fishery biologists; 700 in Interior, 494 in Commerce, 60 in Agriculture, 34 in Army, and 17 in miscellaneous other agencies. Of the 4,047 general biological sciences positions, 1,359 were in Interior, 770 in HEW, 488 in EPA, 480 in Army, 392 in Agriculture, 101 in TVA, 101 in VA, and 356 in various other agencies. We have no statistics to show how many of the employees in these occupational groups are involved in project and permit review activities. However, of the 2,914 Interior biologists identified above, only about 120 are involved in the project and permit review work of the Fish and Wildlife Service.

Question: How would you assure the committee that the FWS role in project reviews is not duplicative of other agencies' roles?

Answer: The Fish and Wildlife Coordination Act requires that Federal agencies involved in permitting, funding, or assisting water resources development projects consult with the Fish and Wildlife Service. The Service is required to make independent investigations and to report its findings and recommendations to the responsible Federal agency. In meeting this responsibility, the Service uses every means possible to prevent duplication of actions by other Federal or State agencies in its review and investigation. To accomplish this, the Service coordinates closely with these agencies. For example, the Service participates in "joint permit processing" with a number of Corps of Engineers Districts. In this process, permit applications receive concurrent State and Federal review, and data and information are shared among

several Federal and State agencies, including the Environmental Protection Agency and the National Marine Fisheries Service. This process promotes efficiency in that it avoids duplication of effort, and it expedites the permit decisionmaking process.

Question: What expertise does the FWS possess that these other agencies do not possess?

Answer: The Fish and Wildlife Act of 1956 designates the Fish and Wildlife Service as the Federal agency with trustee responsibility for fish and wildlife. The mission of the Service is to ". . . provide the Federal leadership to conserve, preserve and enhance fish and wildlife and their habitat for the continuing benefit of the people." To meet its responsibilities and achieve its mission, the Service employs a workforce of general, fishery, and wildlife biologists, ecologists, and environmental planners. In the Habitat Preservation Program, the Service operates 42 field offices and three National teams concerned with the planning of land and water resources developments. In addition, research is conducted on Habitat Preservation problems at a number of Fish and Wildlife Service research laboratories around the country. This highly specialized and diverse professional staff and program gives the Fish and Wildlife Service a level of broad and in-depth expertise on fish and wildlife problems associated with land and water resources developments possessed by no other Federal agency. Other Federal agencies also employ such professionals; however, their basic missions are different. The Fish and Wildife Coordination Act designates the Fish and Wildlife Service as the Federal agency to provide fish and wildlife information and recommendations in the planning process of water development projects. Thus the Service is the only Federal agency with this single purpose responsibility in such planning.

Question: Is there any rational way to assess the additional wildlife protection benefits that result from the additional FWS review?

Answer: The consultative activities of the Fish and Wildlife Service are quite complex and difficult to portray in quantitative terms, and their nature frequently requires that they be viewed over time to determine benefits. Moreover, benefits are dependent upon the actions of other agencies. A survey conducted in 1978 showed that the Service is relatively successful in getting its recommendations accepted and implemented. The recorded results for 144 cases, where the Service made written input into the planning process of another Federal agency, showed that the Service's recommendations were fully followed in 65 percent of the cases. Less than 5 percent of the Service's recommendations were completely rejected. The relative acceptance of these recommendations is shown below:

	Number	Percent
Federal Agency fully followed FWS recommendations	88	61.1
Federal Agency partially followed FWS recommendations	31	21.5
Locality or State fully followed FWS recommendations	6	4.1
FWS recommendations not accepted	7	4.9
Applicant accepted recommendations or dropped the project	8	5.6
More consideration provided in the planning process	4	2.8
	144	100.0

Fish and Wildlife Mitigation

Question: Is this mitigation activity likely to be reduced in the Reagan budget amendments?

Answer: The Reagan FY 1982 budget for the Fish and Wildlife Service eliminated a $707,000 increase included in the Carter FY 1982 budget for operation and maintenance of fish hatcheries under the Lower Snake River Compensation Plan. The Reagan Fish and Wildlife Service budget still includes $313,000 for the Hagerman National Fish Hatchery, $112,000 for the McCall State Fish Hatchery, $174,000 for the Kooskia National Fish Hatchery, and, $175,000 for contracts with the Washington Department of Fisheries, the University of Idaho Fishery Cooperative Research Unit, and the Idaho Power Company for trapping, holding, and spawning of returning adult salmon, and with the State of Idaho for production of salmon at the McCall Hatchery. Mitigation funding for Dworshak Dam and Teton Dam are budgeted by the Corps of Engineers and the Water and Power Resources Service, respectively. The FY 1982 budget for the operation and maintenance of Dworshak National Fish Hatchery is estimated at $1.35 million.

Question: Using your professional judgment, how would you rate this activity in its cost effectiveness relative to the other FWS programs, primarily those on-refuge and fishery programs?

Answer: The Fish and Wildlife Service considers the mitigation of project impacts to be a more cost effective activity for the protection and conservation of fish and wildlife resources than land acquisition activities. Through the Service's input, the impacts of proposed land and water resources development projects to fish and wildlife are identified and evaluated and measures to mitigate or lessen those impacts are developed and recommended. In the case of federally assisted or constructed projects, the cost of mitigation generally is included in the cost of the project. Thus the cost of these features is included in the calculation of the benefit/cost ratio for the project.

Biological Services Program

Question: Your biological services program is proposed in the Carter Budget for a $1.9 million increase over 1981 appropriations to date. Within the biological services activity, what program has your highest priority?

Answer: Activities within the Biological Services Program directed toward facilitating balanced development of the Nation's energy resources are of the highest priority. The primary emphasis upon which the Program was based was energy, and this emphasis continues. Of the $1.9 million in increases under the Carter budget, $1.7 million were for increased capabilities to support various Departmental energy development activities. This portion of the increase has been deleted. The remaining $.2 million is directed toward resolving secondary issues related to energy development, primarily in the west (Instream Flow Capabilities). The following priority list of Biological Services Program Projects reflects the Program's energy development support emphasis.

1) System and Inventory Project (provides the basic support required by all other BSP projects, including the Wetland Inventory Maps and fish and wildlife data analyses capabilities.
2) Coal Research, Development and Operations Project
3) Coastal Ecosystems/Outer Continental Shelf Project
4) Minerals Project
5) Water Resources Analysis Project

The development of fish and wildlife information and data analysis capabilities for use by energy industries and Federal and State agencies at appropriate times in energy activity planning is considered the most effective way to ensure that fish and wildlife needs are incorporated into development decisions. The Biological Services' Program is well suited, after years of gearing up, for this purpose. The Service's input to Departmental energy actions will be high in quality and accuracy, thereby allowing for timely, defensible decisions.

Question: How do the energy-related activities compare to the other activities?

Answer: As indicated in the previous answer, energy-related activities are the priority. These activities, however, support efforts in minerals and other resource development. The methods and services produced for energy activities are applicable to a broad array of activities which involve habitat manipulation. The Service intends that such methods and services be made available for all applications which may benefit.

Question: How much are BLM and the Department of Energy currently spending on coal environmental mitigation?

Answer: We have contacted the Bureau of Land Management and the Department of Energy, and these agencies have informed us that they are spending no monies on coal environmental mitigation.

Systems and Inventory Procedures

Question: Does the Service have National leadership in the development of systems and inventory procedures?

Answer: The Service has the National leadership in the development and dissemination of fish and wildlife information to the public, Congress, and the President as required by the Fish and Wildlife Act of 1956 (16 U.S.C. 742(a) - 754). Additionally, the Service was specifically directed by the Clean Water Act of 1977 (33 U.S.C. 446 et seq.) to ". . . complete the National Wetlands Inventory of the United States. . .".

The development of the fish and wildlife information requires specialized inventory methods and systems for data interpretation. The Systems and Inventory Project provides the support for development of these methods and systems. Examples include the classification system and mapping procedures developed for the National Wetlands Inventory, standardized procedures for State conducted species data bases, and the spatial data analysis capabilities for application of fish and wildlife information to various planning and development activities. The Systems and Inventory Project also coordinates the Service's activities in the Interagency Agreement Related to Classification and Inventories of Natural Resources. This is an agreement between five agencies who require fish and wildlife inventory information for various land management activities (Fish and Wildlife Service, Bureau of Land Management, Geological Survey, Soil Conservation Service, and Forest Service). The basic goal is to ensure that fish and wildlife information is collected in a common format using common terminology, inventory procedures, and information management techniques. This will reduce confusion in interpretation and will reduce unnecessary duplication of information development activities.

The spatial data analysis capabilities developed by the Systems and Inventory Project are being used by the Service, as well as by other agencies such as the Bureau of Land Management, to expedite the planning for resource development such as coal and mineral leasing by providing for consideration of wildlife concerns such as habitat conservation, protection of migratory routes, and access to water. These capabilities have been designed to facilitate consideration of wildlife needs while at the same time lending expediency and efficiency to the otherwise most time consuming and labor intensive aspect of natural resource planning. Examples of their use include National Wildlife Refuge master planning and the Department of the Interior's Federal Coal Leasing Program.

Question: What would happen to wildlife resources if the Fish and Wildlife Service did not perform these technical assistance type activities?

Answer: The basic advantage to wildlife resources of these inventory and systems activities is to facilitate in-depth consideration of a broader number of alternatives, based on quantifiable data, in the planning process. These capabilities insure consideration of wildlife related planning options thus improving the management and protection of the Nation's wildlife resources.

Energy-Related Activities

Question: Are any energy-related activities being held up pending resolution of FWS recommendations?

Answer: There are a number of permit and license applications in the decision process on which the Service has made recommendations. In most cases it cannot be determined if, or to what degree, the Service's recommendations are holding up a decision. There are two energy-related or potentially energy-related cases in which such a situation appears likely.

Calcasieu Pass, Louisiana. This is an application for a Section 10/404 permit in Louisiana for placement of a docking facility and warehouse for servicing vessels used to construct oil drilling platforms. The Fish and Wildlife Service is recommending alternatives that would avoid the destruction of saltmarsh habitat. While this is energy-related, no energy production is being delayed pending the resolution. The timing of resolution will depend primarily on actions by the Corps of Engineers.

North Fork Stanislaus River Project, California. This project would require both a Federal Energy Regulatory Commission license and a Corps of Engineers Section 404 permit. The Fish and Wildlife Service has recommended modifications to protect fisheries resources and wetlands. The Federal Energy Regulatory Commission has decided to delay decision pending the Corps permit. The Corps has delayed a decision pending recommendations by the Fish and Wildlife Service, the Forest Service, and the California Resources Agency.

Surface Mining

Question: What is the FWS role relative to the States that have their own surface mining regulations in place?

Answer: Most coal States do have new surface mining regulations in place, and in a majority of the States the new regulations call for increased Fish and Wildlife Service assistance to State surface mining agencies.

The Service role in assisting the State permit programs for active coal mining includes the review of fish and wildlife plans, mining plans, and other State requirements related to federally protected species of fish and wildlife. The other major role the Service plays relative to States having their own surface mining regulations is assisting in the development and implementation of State abandoned mine land (AML) reclamation programs. As required in the Surface Mining Control and Reclamation Act of 1977, States with approved regulatory programs are eligible to receive AML reclamation funds to use in reclaiming the backlog of abandoned mines which existed prior to the act. There are about one million acres east of the Mississippi River that need to be restored to a productive state, and one important use of these lands will be for fish and wildlife production. The Service assists the States in the development of State AML reclamation plans and demonstration projects for reclaiming lands to fish and wildlife habitat.

The Service also works with the States to identify, evaluate, and encourage the reclamation of AML areas as multiple use, public benefit areas such as fishing lakes, hunting and/or outdoor recreation areas, parks, and other areas of value to fish and wildlife.

Due to the FY 1982 budget reductions, the Service will discontinue a major part of its role in the development of State and private coal and will concentrate its resources on its consultative role within the Department of the Interior's Federal Coal Management (leasing) Program.

Rapid Assessment Methodology

Question: What is the "rapid assessment methodology" referred to on P. 37 of your justification?

Answer: Rapid Assessment Methodology (RAM) is a computer-assisted analysis methodology which allows the rapid manipulation of map, numerical, and word information. Maps are prepared from interpreted aerial photographs, or existing base maps are used. Numerical and word information which describes map features is entered into the computer along with the map coordinates. This data base can be rapidly manipulated and new maps produced which show, for example, high quality wildlife habitats, coal resources, National Wildlife Refuges, lakes, and streams. Computer analyses can be made to calculate, for example, the acreages of high quality wildlife habitat; the acreage of overlap between high quality coal resources and high quality sage grouse habitat and deer habitat; the distance from a deer wintering area to a proposed mine; the amount of coal which would not be mined if a buffer zone was left around a historical site; and habitat diversity. The RAM system then produces new maps and descriptions displaying the resulting information.

Question: Why can't this methodology be used all of the time?

Answer: The RAM system is best used and most cost effective if applied to blocks of habitat larger than a few hundred acres; and secondly, if the data will be used repeatedly as it is on refuges and other Federal lands. RAM is less cost effective for small acreages where the data will be used only once.

Outer Continental Shelf Oil & Gas Operations

Question: A recent article in the Oil and Gas Journal Newsletter (1/26/81) stated that a Texas A&M study concluded that "normal discharges of used drilling muds into the sea have little or no effect on marine life." Have there been any environmental suits that threaten further OCS development?

Answer: This statement refers to conclusions made by Dr. Bright and Dr. Rezak in their final reports to the Bureau of Land Management on their monitoring of the health of the Flower Garden coral reef banks in the Gulf of Mexico. Their assessment of these coral banks is a positive testimony that the care with which oil and gas operations are conducted near these banks has proved a successful effort in cooperation between government and industry because

there is no detectable damage to these sensitive and valuable natural resources.

Dr. McGrail has also made this statement in reference to the Flower Garden Banks at the Symposium on Research on Environmental Fate and Effects of Drilling Fluids and Cuttings held January 21-24, 1980, in Lake Buena Vista, Florida. Although Dr. McGrail's paper was not published, he makes this statement based on his practical and theoretical knowledge of the water column structure surrounding the Flower Garden Banks. The bottom boundary layer contains a "nepheloid layer" where fine particles are suspended. Drilling muds behave as fine particles, and if shunted below this bottom boundary layer, two consequences of physical behavior in the water column can occur. One, the shunted drilling mud material will remain in the bottom boundary layer, or two, if resuspension occurs, some drill muds may mix with the nepheloid layer materials but will remain in this layer. The bottom boundary layer never rises higher than 90 meters (which is below the hermatypic corals), maintains its integrity, and does not mix with water levels above it.

This means that the present shunting requirements for oil and gas operations serve as proven and reasonable preventive measures to keep drilling muds and any toxicants contained in them from reaching the Flower Garden coral banks. Based on the success of existing shunting requirements and this in-depth analysis, the Fish and Wildlife Service accepts the findings of Bright, Rezak, and McGrail, fully concurs with the study and regulatory findings of the Bureau of Land Management and the Geological Survey, and supports the exploration and development efforts of the oil and gas industry around the Flower Garden Banks.

In reference to the discharge of drilling muds around the Flower Garden Banks, the Service is not aware of any environmental suits that threaten further OCS development in this area.

Question: How much additional study does the FWS propose to undertake to resolve outstanding environmental complaints?

Answer: The Fish and Wildlife Service has no financial involvement in these studies of drilling muds and cuttings; however, it accepts the findings of the studies funded by the Bureau of Land Management.

Endangered Species Listing

Question: Workload data for the Endangered Species listing activity on page 166 illustrates a substantial declining trend. Yet funding and personnel would continue at an even pace in the Carter budget. Do you anticipate reductions in the Reagan revisions?

Answer: President Reagan's budget proposes a decrease of $450,000 in Service-funded status survey work. The Service intends to place more reliance on the petition process as the major source of information on candidate species for listing. Anyone may petition the Service to have a species placed on the List of Endangered and Threatened Plants and Animals. Depending on the adequacy of the information included in a petition, the Service may (1) propose to list the species, (2) publish a notice of review in the Federal Register to gather additional information, or (3) return the peti-

tion in cases where the information presented does not warrant further review. Placing more emphasis on the petition process (rather than Service-funded status surveys) as the primary source of information on candidate species supports the notion that the identification and preservation of the Nation's endangered flora and fauna is a cooperative venture between the Federal government, the States, the conservation community, and the interested public. Although this approach may lead to a reduction in the absolute numbers of species surveyed, the Service's overall goal of precluding species extinction remains. Service resources will be devoted to surveying candidate species facing immediate, identifiable threats where lack of action would ensure the species' extinction.

Recovery

Question: What is the status of the Yampa River Study, funded in 1981 as a Congressional add-on of $100,000? Why are these funds proposed to be eliminated in FY 1982? Would you summarize the major findings of the study for the committee?

Answer: Coordination has begun with the State of Colorado and the National Park Service, who will be participating in the Yampa River study with the Service. Equipment purchases are almost completed and current plans are to begin field work in early April, 1981. At a recent workshop (August 1980) on Colorado River fisheries problems held in Salt Lake City, it became apparent that the present studies being done on the Green and Colorado Rivers would be insufficient in supplying all informational needs. The Yampa River Study is intended as a 1-year supplement to this 3-year study, and is scheduled for completion in December 1981. Therefore, no funding was requested for FY 1982.

Since the study has not been initiated yet, there are no major findings to date. The study will produce an adequate data base on the biological, physical, and chemical aspects of the river system in order to assess project impacts on listed fish and the related ecosystem.

Question: What was accomplished by the Service for the $225,000 added by Congress in FY 1981 for propagation of the peregrine falcon? What criteria are used by the Service to conclude that this effort is not of sufficiently high priority to be continued in FY 1982?

Answer: With the $225,000 added by the Congress in FY 1981 to the existing resources ($100,000) for the peregrine falcon recovery efforts, the following is expected by the end of FY 1981: Captive propagation and release efforts within the existing program will have been continued in cooperation with participating State conservation efforts. The infusion of Service funds, used to support salaries, food for prey and falcons, and other operating costs, such as egg incubation and bird production, allows greater use of non-Service funds (e.g., private contributions supported the renovation of existing and construction of new barns for holding an increasing number of breeding pairs). More than 100 young birds will have been released in each of the east coast and Rocky Mountain areas. Overall, there will be an increase in the number of birds produced, available for hacking, released through hacking, and available for retention in the captive breeding stocks. Ultimately, it is anticipated that because of the long-term effects of these

additional funds, the rate of peregrine repopulation will be measurably increased.

While money for peregrine reintroduction was added by the Congress in FY 1981, the extent of funding for this project in FY 1982 was evaluated on an equal basis with the funding needs of other Service priorities. A critical review was necessitated due to the limited amounts of both existing funds and possible new monies to support priority operations of the Endangered Species Program, as well as all other Service programs. The result of this review was that the $225,000 provided by the Congress for FY 1981 would not be included in the Service's FY 1982 budget request. Factors involved in this decision included past and expected future funding levels, since the peregrine has been and will continue to be a Service-funded recovery operation; availability of non-Service funds, as the peregrine continues to engender widespread public support, with resources for recovery efforts from private contributions, foundations, etc. expected to increase (in addition, other Federal agencies geographically involved with the peregrine finance recovery/release efforts); and resources needed to establish self-sustaining breeding populations in the wild. As referenced above, the additional FY 1981 funds have provided the basis for successful propagation efforts, which can be continued in the future at lower funding levels. This latter point is best illustrated by the $100,000 still budgeted in FY 1982 for peregrine recovery work within existing Endangered Species Program funding levels, which was originally planned prior to the additional Congressional funds.

Question: What is the status of the Idaho Woodland Caribou endangered species review? How does the process work that enables individuals to petition to have species listed as endangered?

Answer: In the Federal Register of February 9, 1981, the Service issued a notice accepting two petitions to add to the U.S. List of Endangered and Threatened Wildlife a small population of woodland caribou found in northern Idaho, northeastern Washington, and southern British Columbia. A status review also was provided, and the Service stated that it planned to issue a proposal to list the population as Threatened. The Governors of Idaho and Washington have been notified, and they and other authorities have been invited to comment.

Any person may petition the Service to add a species to the List of Endangered and Threatened Wildlife, remove a species from the List, or change the status of a species. As detailed earlier, if the Director finds that the petition presents substantial evidence, he is required to publish a notice announcing such a determination, providing status information on the species, and indicating the Service's plans with respect to the species.

Question: What are the FWS policies regarding the Endangered Species protection program in terms of the geographical area within which the endangered species is to be protected? Does the FWS have any flexibility to protect an endangered species within certain geographical areas but not to protect a species wherever it may roam or wander?

Answer: Endangered and Threatened species are protected in all places where they occur unless special regulations are developed with exceptions, or if only certain populations are listed. For example:

- The bald eagle is an Endangered Species in the lower 48 States except in Washington, Oregon, Minnesota, Wisconsin, and Michigan, where it is listed as Threatened. It is not listed in Alaska.

- The grizzly bear is listed as Threatened in the lower 48 States. Limited sport-hunting of the grizzly is permitted each year by the State of Montana under Federal regulation.

- State-regulated take of alligators is allowed under Federal regulations in several parishes of Louisiana or where captive bred. The alligator is listed as Endangered in most of the U.S. where it occurs, and Threatened in Florida and certain areas in Georgia and Louisiana. Alligators can be moved or taken where there is a threat to human safety.

Actual protection of Endangered species in different geographical locations varies according to the funds and personnel available and relative priority of all wildlife needing Federal protection. The priority is based on known threats to the welfare of Endangered species and further evaluated as to the degree of hazard posed and whether or not significant commercial activity is involved.

Question: Regarding the request for endangered species listing for the woodland caribou, will the designation of the Upper Priest Wilderness Area satisfy critical habitat requirements? In general, do wilderness designations satisfy those requirements?

Answer: The proposed Critical Habitat of the caribou has not yet been delineated, and it is not now possible to say if it will coincide to any extent with the Upper Priest Wilderness Area. A determination of Critical Habitat and the designation of a wilderness area are not completely synonymous. A Critical Habitat designation merely points out to Federal agencies an area where their responsibilities pursuant to Section 7 of the Endangered Species Act may apply, and does not by itself impose any prohibitions or restrictions. A wilderness area designation does impose broad legal restrictions on land use. It is likely that such designation would help to protect the Critical Habitat of any Endangered or Threatened species found in the area, but this would not necessarily be the case.

Wildlife Law Enforcement

Question: How much law enforcement activity is devoted primarily to refuges and fisheries and how much is in the non-refuge, non-fishery area?

Answer: The Division of Law Enforcement devoted approximately $600,000 and 17 staff years to law enforcement on refuges and fishery areas in FY 1979. In the non-refuge, non-fishery area, the Division expended 353 staff years and approximately $12,169,000.

In addition to the efforts by the Division of Law Enforcement, refuge personnel with law enforcement authority devoted approximately 41 staff years and $912,000 to enforcement activities on refuges.

Question: What types of law enforcement problems require increased funding in 1982 on mammal and non-migratory birds refuges? Can you give us some examples?

Answer: Enforcement of hunting regulations and subsistence regulations on the Refuges in Alaska will increase considerably with significantly more land under Service jurisdiction. Another problem in Alaska is illegal entry for exploitation of minerals and other resources.

In the lower 48 States the following problems exist:

a. Poaching of Desert big horn sheep on Southwestern refuges.
b. Cattle trespass onto refuge lands.
c. Protection of mining interests against illegal "claimjumpers."
d. Problems arising during authorized public hunts on refuges.

Question: How much of the mammal and non-migratory bird law enforcement program is allocated to reducing trespass problems in Alaska?

Answer: Refuge personnel in Alaska devoted 636 staff hours and $11,085 in FY 1979. This effort has increased since the passage of the Alaska National Interest Lands Conservation Act and will require more effort as Service responsiblities expand.

Question: The 1982 Budget proposed an increase of $938,000, primarily for equipment such as cars, boats, and radios. Does the law enforcement staff require special vehicles or do they use standard automobiles?

Answer: The Division of Law Enforcement has special vehicle needs. The standard law enforcement vehicle is a police-type sedan. These are built to specification for special police work. They are capable of pulling heavy loads, such as boats, pursuit driving, long-distance capacity for following suspects, and operating in adverse road conditions (mud, marsh, or rugged terrain). Some vehicles are used in undercover capacities--so they must be painted or trimmed to hide the fact that they are enforcement vehicles. For specific operations, pick-up trucks, four-wheel drive vehicles, or vans are needed. Vans can function as covert camera sites and for transportation of seized evidence.

Recreational Use of Refuges

Question: What has been the overall demand for recreational uses of FWS refuge lands?

Answer: The activity hours of participation in outdoor recreational activities on refuges continue to grow. The number of visitors has been increasing at the rate of 500,000 to 1 million each year.

Question: Are visitation trends up or down in recent years?

Answer: Visitors are participating in a greater number of activities while spending more time at their destination. In FY

1980, approximately 26.5 million visitors provided more that 72 million activity hours of participation.

Question: Three increases are proposed for 1982 totaling $89,000. Will the Reagan amendments propose an overall reduction in Interpretation and Recreation?

Answer: The FY 1982 January budget request included an increase of $43,000 for refuges in Alaska and a decrease in the Recreational User Fee Program of $125,000. The overall change was a reduction of $82,000. The amended budget includes specific Program reductions of $1,300,000.

Question: If so, do you know how these reductions will be distributed?

Answer: The distribution of these reductions will include closure of the National Aquarium-286,000; funding for the Office of Extension Education-$150,000; elimination of the Recreational User Fee Program-$125,000; and reducing the recreation and interpretation program at regional and refuge field stations-$689,000 and general reductions for travel and personnel of $50,000.

Question: Is there resource damage to the refuges and wildlife resources as a result of the recreation activities? Are funds included to mitigate that damage?

Answer: Since the recreational use of refuge lands is a secondary purpose for their establishment, all recreational activities are administered in a way that will curtail an activity or close an area to prevent damage to the primary wildlife resource when a potential threat exists. Service management of recreational activities has resulted in, little or no damage to the wildlife and refuge resources. While the possibility for conflicts between recreational and non-recreational user exists, as well as conflicts between different types of users, there is increased control over recreation useage in natural and developed areas through time and space rationing.

The Service does not currently provide specific funds for the mitigation of damage caused by public use, since this has not been a continuing problem in the past.

National Wildlife Refuge Fund

Question: The National Wildlife Refuge Fund proposal for fiscal 1982 shows a decrease in payments to counties of almost $8 million (-80 percent) from 1981 levels. This is in spite of the fact that receipts from the sale of products will increase about 10 percent, to $4.1 million. Also, there apparently will be a lapse of funds in 1981 of about $1.8 million. Why?

Answer: Payments to counties made in a given year, for example, FY 1981 are a combination of net receipts from the previous fiscal year plus supplementary appropriations, if any, for the given year. Both gross and net receipts are estimated to be down, rather than up in FY 1981 thereby reducing the amount available in FY 1982. The 10 percent increase in receipts predicted in the budget will occur in FY 1982, which will affect payments made in FY 1983. The counties received 100 percent payment this fiscal year for FY 1980. Actual

needs for FY 1981 were $1.8 million less than originally anticipated. P.L. 95-469 makes no provision for carryover of such funds.

Question: Are the counties involved getting shortchanged?

Answer: As answered above the counties received 100 percent of the payment for FY 1980 this fiscal year. It is estimated that the payment for FY 1981, due in FY 1982, will be only 14.2% of the entitlement.

Question: What is the total amount due to the counties if the payments to counties were calculated objectively?

Answer: The total amount paid to the counties in FY 1981 for FY 1980 was $9.9 million. The total anticipated amount due to counties in FY 1982 for FY 1981 is $13.4 million. Net receipts from FY 1981 are expected to be $1.9 million, leaving a balance of $11.5 million unfunded.

Acid Rain Research

Question: On Page 21 of your justification, you discuss a proposed 1982 increase of $456,000 for acid rain research. What is the relationship of this proposal to the overall program proposed by the Federal Acid Rain Coordination Committee?

Answer: The Fish and Wildlife Service is represented on the Federal Acid Rain Coordination Committee through Department of Interior representation. Through this mechanism, the Service's acid rain research activities are formally integrated within the framework of the National Acid Precipitation Assessment Plan.

Question: Will any of the projects undertaken under the overall acid rain research program investigate the assumed casual relationship between increased development and utilization of fossil fuels and increased acid precipitation?

Answer: Yes, one purpose of the National Acid Precipitation Assessment Plan is to develop appropriate information to identify the causes and sources of acid precipitation. The assumed casual relationship between increased development and utilization of fossil fuels will be investigated as a part of the overall National Assessment Plan. Such investigations will be conducted principally by the Environmental Protection Agency, the Department of Energy, and the Tennessee Valley Authority. None of the Fish and Wildlife Service's research projects will investigate now or in the future the assumed casual relationship between increased development and utilization of fossil fuels and increased acid precipitation. All Service acid rain projects are currently designed for informational purposes only on various aspects of acid precipitation on fish and wildlife resources.

Question: How much has been spent by the Service to date on acid rain research?

Answer: To date the Service has spent the following amount of funding on acid rain research: FY 1979 - $30,000; FY 1980 - $101,000; and FY 1981 - $96,000.

Question: Has the data collected and analyzed to date shed any light on the overall impact of acid precipitation on the Nation's wildlife resources?

Answer: The Service's acid rain research investigations were initiated on a limited scale in FY 1979. Service efforts are currently ongoing studies focusing principally on fishery resources in the Northeast. Partial results of these studies are to be completed in FY 1981 at which time resource impacts will be determined. It should be noted, however, that approximately 50 percent of the high mountain lakes in the Adirondack Mountains are now considered to be "dead" lakes. Studies conducted by Canadian researchers estimate that at the current rate of acidification, between 4,000 to 8,000 Canadian lakes will be lost in the next two decades.

Habitat Preservation Research

Question: How many Research projects related to Habitat Preservation does the Service have underway in FY 1981?

Answer: The Service will have 25 projects encompassing 98 work units, which include one or more studies.

Question: How many of those will be completed in FY 1981?

Answer: Under 13 projects, 21 work units will be completed in FY 1981.

Question: How much money is being expended on projects that will be completed in FY 1981?

Answer: Total funding expended will be $822,000.

Question: What projects will those funds be spent on in FY 1982?

Answer: Research will be conducted according to the Service mission to determine how fish and wildlife will be impacted by contaminants in the following areas:

- o Industrial and agricultural contaminants being discharged into fish and wildlife habitats.
- o Ecological impacts on fish and wildlife resources from contaminants resulting from land use practices and riverine modifications.
- o Hazards for fish and wildlife resources associated with mineral mining contaminants.
- o Effects of oil and coal exploration, transport, and utilization in releasing contaminants to fish and wildlife habitat.
- o Great Lakes fishes as affected by contaminanted dredge material.

- o Impact of metals and acid precipitation on aquatic and terrestrial environments.

- o Development of biological indicators of contaminant induced stress to be able to predict effects of certain contaminants.

- o Fish and wildlife hazards associated with contaminants in re-use systems such as irrigation practices.

Question: Are those projects of higher priority than additional acid rain research?

Answer: Yes, past and ongoing contaminant research studies reveal many problem areas other than acid rain associated with fish and wildlife that need to be completed. There is a limited ongoing effort to identify problem areas associated with acid rain. The problem can be further addressed in the future as these other studies are completed.

Question: What projects would be dropped if the acid rain projects were to be absorbed into the base program?

Answer: The following research work areas would be discontinued if the acid rain project were absorbed. In several project areas it is necessary to know the previous year's research results before future work areas can be determined.

- o Assessment of the impact of oil extraction processes on wildlife in the Northeast.
- o Studies to be selected from the project, "Ecological Assessment of Contaminants," impacts in wetlands associated with agriculture and industrial development.
- o Work units associated with the assessment of forest and range management chemicals on fish and wildlife.
- o Certain laboratory techniques associated with developing biological indicators of contaminant stress.
- o Studies associated with contaminants in irrigation systems and water re-use as affecting fish and wildlife.
- o Closure of an aquatic research field station.

Research Grants and Contracts

Question: Does the Service provide some of their research funding to other organizations in the form of grants or is all of that research program conducted in-house?

Answer: The Service does not have granting authority. It does conduct research through contracts and supports cooperative agreements for research in almost every research area.

Question: If some is provided to states or others in the form of grants, how is the money distributed?

Answer: Most contracting has been done through state universities and Cooperative Units based on their technical expertise and/or specialized facilities and equipment in specific research areas which are not immediately available within the Service. This funding approach has accomplished needed research at substantial cost savings to the Service.

Question: How would the Service rate the priority of the cooperative research work described in p. 61 to the basic research activities described in p. 18?

Answer: The Cooperative Research Units are a research and training program authorized by P.L. 86-686. They have no direct relationship to the Environmental Contaminants Program, and are listed under the Habitat Preservation category for administrative convenience. The two programs exist for different purposes, but research contracts have enabled some of the basic Environmental Contaminant research to be done through Cooperative Research Units.

Question: Is the cooperative research work likely to be reduced by the Reagan budget amendments?

Answer: No funds or personnel ceilings are requested in the FY 82 budget for the Cooperative Research Units Program. Most of the 480 research projects at the 50 Cooperative Units depend upon the cooperative funding and other support through universities and state agencies, and will not continue.

Migratory Bird Research

Question: On Migratory Bird research, you are requesting an increase of $278,000 over the 1981 base for research on marine birds. How was this particular research project selected from among the others the Service considered?

Answer: Funding for this proposed research is no longer being requested. The FY 1981 base includes $275,000 for marine bird research, which represents about 50 percent of that requested in FY 81. Congress considered that it would be difficult to effectively use the full amount ($553,000) in the initial year. The FY 1982 request was to restore the Marine Bird Project to full funding, as requested in the FY 81 Budget Justifications. This increase to full funding of the marine bird research was carefully considered by the Program Manager in comparison with other new proposals.

Question: How many research projects are there in 1981?

Answer: The 1981 Migratory Bird Research Projects are composed of 130 work units which are the normally "completed" elements.

Question: How many will be completed in 1981?

Answer: 23 work units will be completed in 1981.

Question: How much money is being spent on those projects to be completed in 1981?

Answer: $595,000.

Question: Why can't the increase for marine bird research be funded out of the turnover of funds?

Answer: Of the $595,000 involved in completed work units, $110,500 will be required for additional work and increased costs of existing work units, and $268,000 will be required to support increased overhead costs at laboratories, including maintenance of facilities. Ten new work units totaling $216,500 are planned to

start using funds from the remainder of the completed work. These entail utilization of a number of personnel at several labs who will be spending part time on ongoing studies in addition to the new work. Thus, from a practical basis it would not be possible to use turnover funds for the marine bird research, without major alterations such as transfer of personnel, and possible reductions at certain field stations or their closure.

Question: What project would be dropped if the marine bird research proposal were to be absorbed into the base program?

Answer: Since the marine bird research program has been dropped from the FY 1982 budget, it would not be necessary to drop any ongoing research.

Mammals and Non-Migratory Bird Research

Question: Does the FWS have a national leadership in mammal and non-migratory bird research?

Answer: The FWS does maintain a national leadership role for mammals and non-migratory bird research. We conduct field studies on the realtionship between land uses and natural resource management, the effects of developmental activities on marine ecosystems, wildlife distribution and abundance, wildlife identification and taxonomy, and wildlife health. Scientists working in these areas are respected for their knowledge and skill throughout the profession.

Question: What other Federal, state, and local agencies and private organizations conduct mammal and non-migratory bird research?

Answer: The research conducted by the FWS relates in large part to management on Federal lands, in particular the National Wildlife Refuge system. Other Federal agencies such as the National Park Service, the Bureau of Land Management, and the Forest Service frequently have related research on their areas. All state game and fish agencies conduct or sponsor studies with resident species as do certain private organizations such as the National Audubon Society, the National Wildlife Federation, the Wildlife Management Institute, and numerous colleges and universities throughout the country. We have frequent contact with these organizations to discuss study plans and to ensure that duplication of effort is avoided. The FWS is frequently asked to conduct contract studies by these groups.

Question: What is their estimated funding level for FY 81 and FY 82?

Answer: The Pittman-Robertson funds, administered by the Federal Aid Program of the FWS, are apportioned to the states for research and other wildlife related activities. During FY 81 $20,658,000 are being utilized for these purposes. Although, we do not have an exact dollar figure for FY 82, we expect a slight increase. We do not have firsthand information available on the sizes of other Federal or private agency budgets for research on mammals and non-migratory birds.

Question: Are there other sources of Federal funding for this type of research?

Answer: There are numerous other Federal, state, and private organizations that contract for or provide grants for this type of research. We do not have firsthand knowledge of the magnitude of these sources, but the following organizations have provided funding for research on mammals and non-migratory birds at the Cooperative Wildlife Research Units: Alaska Power Authority, 31 Universities, Wildlife Management Institute, Corps of Engineers, Sierra Club Foundation, National Wildlife Federation, Eli Lilly Company, Victoria Land and Cattle Co., Water and Power Resources Service, African-American Institute, Bureau of Indian Affairs, Amax Environmental Service Inc, British Columbia Fish & Wildlife Branch, World Wildlife Fund, The Ecological Society, Norwegian Man-in-the-Biosphere, Gulf States Utilities Company, Penobscot Conservation Club, Maine Forest Service, Maine Department of Transportation, Northeast Utilities Services Company, Soil Conservation Service, National Rifle Association, Smithsonian Institute, Naval Arctic Research Laboratory, Department of Energy, Carolina Power & Light Co., Geological Survey, Ft. Sill Military Reservation, Welder Wildlife Foundation, Weyerhauser, Crown Zellerback Corp., Merck Foundation, Batelle Pacific Northwest Laboratory, CH2M Hill Co., Peace Corps-Smithsonian Institute.

Question: Does any of this research get targeted to endangered species activities?

Answer: Some of the mammals and non-migratory bird funds ($385,000) are available to support research on listed marine mammals. Species involved include the West Indian manatee, California sea otter, and dugong.

Question: If so, are they targeted at listing type activities (e.g., critical habitat determinations) or at protection and recovery type activities?

Answer: All of the work being conducted is toward development of management techniques and recovery efforts.

Question: On p. 119 you discuss the proposed increase of $327,000 for research on Barren Ground Caribou. Will Canada carry out a similar study?

Answer: The Yukon Game Branch (YGB) and the Canadian Wildlife Service (CWS) have had biologists working on various aspects of the biology of the Porcupine Caribou herd. The YGB has been conducting winter research along the Dempster Highway to determine populations, habitat use, and caribou interaction along the highway. The CWS has been assisting them in these studies and are conducting primary research on the potential effects of petroleum development on the caribou. FWS funds for Barren Ground Caribou research in FY 82 has been deleted from the Reagan budget.

Question: Are any state fish and game agencies involved?

Answer: The Alaska Department of Fish and Game has been active in monitoring population size and structure through an aerial photo census project.

Question: Of the 46 research work units in 1981, two will be dropped in 1982. What projects are dropped?

Answer: We anticipate completing studies on the effects of timber management on birds and small mammals in the sub-alpine zones of Colorado ($60K) and the use of Le Tourneau tree crushers and burning to improve the quality of regrowth vegetation on the Kenai National Moose Range ($20K).

Question: Explain for us how the savings resulting from this reduction will be used. Also explain to us how the turnover in 1981 research funds freed up by completing projects will be used in 1982.

Answer: These funds ($80K) will be used in FY 82 to enhance minimal studies on energetics of moose and moose food habitats on Kenai NMR ($20K), to enhance ongoing studies on the effects of grazing on the Sheldon NWR ($35K), and non-grazing on Sevilleta NWR ($25K). The remaining $5K will be used to enhance polar bear research in Alaska.

Question: Couldn't the Service use those funds for the proposed Barren Ground Caribou project?

Answer: The funding of research in mammals and non-migratory birds is flexible within certain limits. These limits include changes in priorities, closure of field stations, transfer of personnel, and changing the duties of scientific personnel from one discipline to another. The funds available in FY 82 could be used to partially support the Barren Ground Caribou study, but it would require major changes involving some of the limits mentioned above.

Extramural Research

Question: Has the Service considered establishing a competitive extramural research program by setting aside a certain amount or percentage of funds available on a competitive basis to non-Federal researchers?

Answer: The Service uses extramural research capability to complement its intramural capabilities through contracts with non-Federal researchers. For example, the Office of Biological Services has extensively used competitive extramural research procedures to accomplish a variety of applied research objectives. The 50 Cooperative Research Units have supported and guided an extramural research program through graduate students and cooperating university professors, at considerable cost savings in conducting research. This has in the past brought an added $8 million in cooperative research support to bear on research problems through 31 universities in 29 states. Some competitive extramural research funding is available from the Office of Endangered Species, for work on species with approved Recovery Plans.

Question: Does the Service's legal authority permit such a program?

Answer: The Service can conduct research through normal Federal contracting procedures which include competitive extramural research contracts.

Question: What would the Service's position be on such a proposal?

Answer: We believe that complex and diverse research programs are needed to provide a scientific basis for management of the Nation's fish and wildlife resources. The most effective and efficient approach to conduct these programs is to maintain a broadly based, highly competent intramural research capability which has the flexibility to seek extramural assistance on an as needed basis. This extramural effort could appropriately be a significant portion of the total, particularly as it relates to needed expertise of a short-term nature. However, the expertise developed through the intramural research program is essential to properly direct and coordinate extramural research studies.

Refuge Research

Question: Does the FWS make a distinction between research directed at on-refuge and off-refuge problems? If so, what percentage of 1980, 1981, and 1982 funds are diverted at each?

Answer: No distinction is made between studies conducted on-refuge or off-refuge. Some research is directed specifically at on-refuge problems, but a significant proportion of the remainder of the research program is of value to refuge management although designed to be of broader implication. Likewise, some research conducted on refuges, while of value to the particular refuge involved, has its basis in general application. Since refuge-oriented research is not differentiated, no percentage breakdown for 1980, 1981, and 1982 can be provided.

Service Research

Question: Do you anticipate any reductions in the Research Program in the Reagan budget revisions?

Answer: Yes, we anticipate the following reductions: Environmental Contaminant Evaluation: $456,000 for acid rain, $450,000 for a general reduction of research including possible closure of a field station, and $89,000 for personnel and travel reductions. Biological Services: $450,000 for general reduction of research. Cooperative Units: $4,915,000 which would eliminate this program. Migratory Birds: $278,000 for marine birds and $220,000 for personnel and travel reductions. Animal Damage Control: $195,000 in personnel and travel reductions. Mammals and Non-Migratory Birds: $327,000 for caribou study and $270,000 in personnel and travel reductions. Fishery Research: $600,000 for operation and maintenance of existing laboratories and $243,000 for personnel and travel reductions. Endangered Species: $495,000 in recovery research. Construction: $2,500,000 in FY 81 and $1,300,000 in FY 82 for Gainesville, Florida laboratory; $2,856,000 in FY 82 for tight isolation facility at the Madison, Wisconsin laboratory; and $4,000 in FY 82 for Leetown, West Virginia laboratory.

Animal Damage Control

Question: Could you provide for the record a list of states with animal damage control programs and the size of their programs?

Answer: The U.S. Fish and Wildlife Service conducts an Animal Damage Control Program in all 48 contiguous states except Iowa, Kansas, and Missouri, which conduct and fund their own animal damage control programs. The Service's cooperative program in the States of Arizona, California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Texas, Utah, and Wyoming are conducted on an operational basis, Federally supervised, and funded by Federally appropriated monies and State and local contributions. Operational predator damage control in South Dakota and Washington State is carried out by these two States under Federal-State contract arrangements. In the States not listed below, the Service's Program is conducted without State or county funds.

FY 1979 Funding

	Service Appropriated Funds	Other Federal Funds	State, County & Other (Coop.)	Total
Arizona	341,400	0	71,312	412,712
California	887,195	20,206	1,147,048	2,054,449
Colorado	389,951	0	185,905	575,856
Idaho	661,385	3,600	267,976	932,961
Michigan	34,500	0	5,850	40,350
Montana	634,995	0	340,938	975,933
Nebraska	239,080	4,000	155,810	398,890
Nevada	475,557	0	439,977	915,534
New Mexico	739,800	12,825	497,600	1,250,225
North Dakota	314,066	0	198,323	512,389
Ohio	106,500	7,200	34,800	148,500
Oklahoma	410,800	0	261,685	672,485
Oregon	638,950	2,500	512,067	1,153,517
South Dakota	253,841	0	148,100	401,941
Texas	1,244,000	0	1,932,089	3,176,089
Utah	599,815	0	439,700	1,039,515
Washington	335,655	0	14,018	349,673
Wyoming	694,204	0	659,504	1,353,708
Total	9,001,694	50,331	7,512,702	16,564,727

Transfer of ADC Program to USDA

Question: What is the FWS position regarding the transfer of the ADC program to the Department of Agriculture? What is the Administration's position?

Answer: The Service is opposed to a transfer of the ADC program to the Department of Agriculture. Controlling damages caused by wildlife is an integral part of wildlife management; therefore, the Federal responsibility for controlling wildlife

damage should be administered by the Federal wildlife management agency. The Animal Damage Control program has always been administered by the Federal wildlife management agency since the Animal Damage Control Act of 1931 (7 U.S.C. 426-426b) established the program.

ADC Funding Distribution

Question: What is the current distribution of ADC operations funds between direct FWS efforts and assistance to others?

Answer: Currently about 89 percent of ADC operations funds are used for direct Service effort and about 11 percent for extension efforts. Lethal damage control methods are used only after environmental site appraisals are made and determined that non-lethal control is not feasible or effective.

Question: What is the distribution of funds between lethal and non-lethal technique of control?

Answer: We do not have information available on the operational funds distribution between lethal and non-lethal techniques. However, in research approximately 40 percent of the methods development research funding is for lethal control tools and 60 percent for non-lethal control tools.

Bird/Aircraft Damage

Question: What is the status of the bird/aircraft hazards reduction program?

Answer: The Service entered into a Memorandum of Agreement with the Federal Aviation Administration in October 1978 which would provide the FAA with a means of dealing with bird and mammal problems at civilian and military airports.

The Service and FAA have jointly sponsored 10 workshops for airport managers, Service, FAA, U.S. Air Force and airline personnel to provide basic information for resolving wildlife/aircraft conflicts at airports. A total of 250 individuals attended these workshops. These workshops have resulted in requests for assistance at more than 100 airports in the United States. All requests have been responded to as soon as possible because of the high priority placed on this program by the Service. The program is continuing and the cooperation between the agreeing parties is excellent.

Blackbird Damage Control

Question: What is the status of the blackbird damage reduction programs?

Answer: The Service is assisting farmers with blackbird damage reduction in rice in Arkansas/Louisiana, corn in Ohio and sunflowers in North Dakota. Assistance is provided upon request

from the landowner or his tenant and where damage is occurring or has occurred.

These programs are primarily extension efforts involving the training of producer groups in the use of sound equipment and pyrotechnics to reduce damage to crops. The temporary loan of equipment is available in all states involved in the program. Approximately 15 percent of available funds are spent on blackbird/corn problems in Ohio; in North Dakota 35 percent of available funds are spent on blackbird/sunflower problems and in both Arkansas/Louisiana more than 80 percent of the available funds are spent on blackbird/rice problems.

Considerable progress has been made in developing tools and methods to alleviate problems, but much remains to be done. Major studies related to blackbird damage to corn are underway. Damage assessment methods have been developed, chemical repellants tested and various applications developed, resistant strains of corn have been tested and various cultural methods tested. Although considerable improvement in techniques is needed, a viable integrated approach to alleviating blackbird damage to corn is now available. Studies related to blackbird damage to rice are underway in California. Progress has been made in techniques development to reduce damage both to sprouting and ripening rice. A significant program is underway to determine appropriate methods to reduce damage caused by blackbirds to sunflowers, including damage assessment, chemical repellants and cultural methods. Blackbird roosts cause significant nuisance in many situations and the droppings produced can provide a medium for the production of histoplasmosis. Studies have produced a technique to reduce a roost population in certain circumstances. Roost dispersal techniques are also available. The relationship of roosts to agricultural damage, particularly feedlot problems has been studied.

While blackbirds still constitute a significant agricultural and nuisance problem, research is providing useful methodologies to reduce these problems.

Land Acquisition

Question: What is the status of the Unique Wildlife Ecosystem Program?

Answer: Consistent with the general provisions, the Service has sought legislative authorization for each new national wildife refuge proposed for establishment under authorization of the Fish and Wildlife Act of 1956 (16 U.S.C. - Section 742f). Since implementation of this policy in FY 1980, Congress has given specific approval to acquire four new national wildlife refuges utilizing the Land and Water Conservation Fund: Bon Secour (P.L. 96-267), Bogue Chitto (P.L. 96-288), Tensas River (P.L. 96-285), and Snug Harbor (P.L. 96-315).

Question: The Carter budget identified $11.3 million for Fish and Wildlife Service acquisition for endangered species habitat. Will the Reagan revisions zero this amount out of the 1982 budget request?

Answer: Yes, the President's revised FY 1982 budget for the Heritage Conservation and Recreation Service eliminated all specific allowances in the Land and Water Conservation Fund for Fish and

Wildlife Service land acquisition projects. The federal portion of the Land and Water Conservation Fund includes $141.6 million for the National Park Service. Of this, $45.0 million is to be available to meet unforeseen critical land acquisition needs such as court costs associated with previously filed condemnation proceedings and other government obligations. The National Park Service may make a portion of this amount available to the Fish and Wildlife Service, Bureau of Land Management, and Forest Service for similar purposes.

10 Percent Reduction

Question: In the event the committee needs to make further budget reductions, would the Department please provide us with a budget line item table showing the committee what your priorities would be for an additional 10% funding reduction from President Reagan's 1982 Budget, along with a narrative discussion of major impacts?

Answer: Following is the requested line item table in priority order ($000).

Appropriation/Activity	1982 Request	Reduction	Remainder
Construction and Rehabilitation	7,371	6,671	700
Resource Management	221,469	16,213	205,256
Fishery resources activity	(42,648)	(5,093)	(37,555)
Wildlife resources activity	(118,933)	(11,120)	(107,813)
Totals	228,840	22,884	205,956

The Department's position is that President Reagan's amended budget for the Service presented an austere, but balanced approach to preserving America's fish and wildlife resources. A deliberate effort was made to accord funding priorities to stewardship of the habitat and supporting facilities managed by the Service. Proposed reductions were made in those activities that less directly have an impact on the Service's primary stewardship obligations.

The Department supports the Administration's budget, as proposed. In order to respond to a further reduction of 10%, the Service would be unable to effectively conduct their direct resource stewardship responsibilities, as described below.

Construction and Rehabilitation (-$6,671,000). This action would eliminate the Service's FY 1982 construction request, except for dam safety inspections associated with human health and safety. It would further delay rehabilitation and development needed throughout the National Wildlife Refuge System at a time when identified rehabilitation and construction needs are in the hundreds of millions. A majority of the engineering and contract specialists necessary to plan and carry out the upkeep of a $1.6 billion investment in System facilities and equipment would be subject to RIF action. Wildlife production and public use activities on refuges today approach only 55-60% of planned levels. Additional reductions in the refuge construction budget would reduce field station management capabilities and further diminish wildlife production and public use benefits on the National Wildlife Refuge System.

Fishery Resources Reduction (-$5,093,000) An additional funding reduction of $5.1 million in the Fishery Resources program will result in the closure of 31 National Fish Hatcheries and two fishery research stations in 19 States. There would be no funds available to retain any of these stations even on a standby basis. The actions to close those hatcheries and research stations would be undertaken as soon as possible in FY 1981 since no funds would be available in FY 1982 to absorb closure costs. This reduction includes salaries for 137 permanent full-time positions. The cost of annual leave payments and other compensation associated with an unavoidable reduction-in-force action could be substantial. The revised budget already recommends the closure of eight low priority fisheries assistance stations ($-1.3 million).

In order to achieve a reduction of this magnitude, the Service would close all hatcheries which are not totally or predominantly involved in production of fish for (a) anadromous or Great Lakes management, (b) stocking waters associated with specific Federal mitigation projects, (c) management of waters on Indian reservations, or (d) endangered species enhancement. On the basis of these criteria, the 31 hatcheries identified consist of 26 warmwater hatcheries and 5 trout hatcheries. Although most of the targeted hatcheries produce some fish for one or more of the excepted categories noted above, on an individual basis, the hatcheries are not predominantly involved in fish production for these purposes. About two thirds of the hatcheries are located in the southeastern United States.

Annual output of these hatcheries is about 116 million fish, weighing nearly 1 million pounds. This output would support about 4.4 million fishing-days. About 18 percent of these fish (21 million) have been used to stock about 17,700 farm ponds each year in the Southeast, 47 percent are used for management of waters on Federal lands (55 million), two percent (2 million) are needed for fishery management on Indian reservations, and 33 percent (38 million) supplement production of State hatcheries for management of State owned waters. Part of the latter contribution is returned by the States by stocking waters on Federal lands (where State facilities are closer to the Federal areas than the national fish hatcheries) or by other actions, such as providing striped bass eggs for use in national fish hatcheries production programs. The hatcheries to be closed also include 13 major visitor-use facilities (aquariums and visitor centers). About 1.3 million persons visit these stations each year. The estimated total replacement cost of all facilities at these 31 stations is about $132 million.

The closure of the two research stations would reduce investigations of chemical compounds used in fish culture and fish population control methods, and severely curtail aquaculture research and assistance to the fish farming industry. No funds would be available to provide the salary costs of the 16 positions at the two stations to be closed and a reduction-in-force action is inevitable.

Wildlife Resources Reduction ($-11,120,000). The impact of a $11.1 million cut would be the immediate closure or placement in a standby status of 36 National Wildlife Refuges and two ADC field stations. As a result of such reductions, 5.9 million acres of refuge lands would no longer be afforded adequate protection under the NWR System and most requirements of the Refuge Administration Act of 1966 and many other specific Congressional mandates could not be met. Approximately 1.4 million visitors utilize these areas for different

forms of recreation and most of these uses would no longer be possible. These refuges accommodate approximately 76 million waterfowl and 1.2 million endangered species use days. Wildlife production would be substantially reduced or eliminated as a result of the cessation of the management of these lands.

The physical facilities such as buildings, administrative offices, equipment, visitor contact stations, and water control structures, valued at approximately $106 million would be without protection, and maintenance could no longer be provided.

Two hundred and forty-four professional and seasonal employees are presently employed in rural areas, where they contribute substantially to the economies of the counties in which they are located.

In summary, the closure or major reductions in programs at 36 refuges would have drastic impacts upon the welfare of wildlife resources, opportunities for wildlife oriented recreation and at the same time would lead to the neglect of responsibilities to protect this Federal resource to which this Administration is committed.

Funding would also be reduced for research on migratory birds, mammals and non-migratory birds, and animal damage control. The reduction in migratory birds will result in (1) curtailing research on refuge management studies, including termination of studies to improve vegetation management practices on National Wildlife Refuges and waterfowl production areas; (2) elimination of migratory bird research and training activities in Mexico, Central and South America, including default on a cooperative agreement with Fauna Silvistre in Mexico, Costa Rican Wildlife Service and Paraguayan National Forest Service; (3) termination of the assessment of powerline siting in relation to bird strikes in the northern Great Plains (a cooperatively funded study); and (4) reduction of nongame bird habitat studies. Much work has been completed in the area of the refuge studies, and additional planned work is of lower priority than other migratory bird research underway. Assistance to foreign countries, while desirable, is not a high priority area.

The reduction in the mammals and non-migratory birds research program will result in early termination of elk and moose studies on refuges, and elimination of cooperative aerial walrus surveys and cooperation with Mexico and Central and South American countries. The studies of moose and elk relate to species which are a State responsibility. Walrus surveys were done in 1980, and techniques are not well developed; hence, delay of the next survey should be not damaging to the program.

The reduction in animal damage control research will eliminate studies of mammal damage to sugarcane and damage caused by rodents to rangelands. Some reduction in forest mammal damage research will also be necessary. Techniques now exist to significantly reduce damage caused by rodents to sugarcane and improving these techniques, while desirable, is not high priority. Rangeland losses to rodents are significant, but present damage reduction methodologies are fairly effective. The lowest priority forest damage control research can be eliminated without severe damage to the research program.

The closure of two ADC field stations would result in (1) continued loss of millions in rice to blackbirds and waterfowl, (2) continued,

heavy localized losses of feed in cattle feedlots, and (3) continued disease and nuisance problems related to urban blackbird roosts.

Annually, there are between 125 and 150 winter blackbird roosts, with over 175 million birds, in the affected areas. The closures would also reduce assistance the Service could provide on bird/aircraft problems.

Questions Submitted by Senator Ted Stevens

Alaska

Question: Given your current understanding of proposed budget cuts, how does the Service view its ability or inability to implement the Alaska Lands legislation?

Answer: The Service feels that it can address its most urgent responsibilities under ANILCA - those that affect the welfare of humans and wildlife and their habitats - with the funding requested in FY 1982 and with base funds and personnel.

Question: Please detail the Alaskan programs that are most severely affected by the cuts proposed by the administration.

Answer: The Alaskan programs that are most severely affected by the cuts proposed by the Administration are:

Basic fish and wildlife management on 9 new and 7 expanded national wildlife refuges. This involves protection of natural, scientific, historical, and cultural values, as well as provision of access for and accomodation of public uses of the areas. Authorized economic uses must also be administered.

Surveys and censuses of subsistence fishing resources on non-Service Federal lands -- $300,000

Bristol Bay Cooperative Regions Resource Plan -- $800,000

The Barren Ground Caribou Study -- $327,000

The Central North Slope Study -- $300,000

Question: Does the Service interpret section 302(8)(a) of the Alaska National Interest Lands Conservation Act to mean that the centerline of the Alaska Highway as presently existing or as applied to the proposed centerline submitted by D.O.T.?

Answer: The Service interprets Section 302(8)(a) of the Alaska National Interest Lands Conservation Act to mean the centerline of the Alaska Highway as it existed on December 2, 1980. On March 3, 1981, the Federal Highway Administration office in Juneau, Alaska, notified the Service that the Alaska Department of Transportation has decided to realign the highway so that it will lie entirely outside the boundaries of the Tetlin National Wildlife Refuge.

Question: The Alaska Lands legislation contemplates that cabin and temporary facilities incidental to commercial fisheries continue. Does the Service intend to permit the continued existence of these facilities or will there be frequent challenges to the use and occupancy of these facilities?

Answer: The Service intends to permit the continued existence of cabins and temporary facilities incidental to commercial fishing, in accordance with Section 304(d) of the Alaska National Interest Lands Conservation Act. There will be no challenges to the use and occupancy of these facilities unless the Secretary of the Interior determines, after conducting a public hearing in the affected locality, that such use is inconsistent with the purpose of the refuge and is a significant expansion of commercial fishing activities within the refuge beyond the level of such activities during 1979.

Question: Please explain the criteria which you are presently using to base challenges to temporary facilities.

Answer: The Service is not challenging the legal use and occupancy of temporary facilities associated with commercial fishing. If challenges are made, they will be based on the criteria set forth in the Alaska National Interest Lands Conservation Act.

Questions Submitted by Senator Mark Andrews

Garrison Diversion Unit

Question: Are you familiar with the findings and recommendations of the Harza Engineering Company's analysis of the acquisition program for the Garrison Diversion Unit in North Dakota?

Answer: The Fish and Wildlife Service became aware of the Harza report in September 1980. At that time, the North Dakota State Natural Resources Coordinator was asked to review the Harza report for the Garrison Diversion Conservancy District. She contacted the Bismarck Area Office and obtained additional information on key aspects of the report. The area office was provided a copy of her comments. In her October 1, 1980, letter to the Conservancy District Manager she stated that the report was "unreliable and less than credible," and the "conclusions are speculative and unsubstantiated." Because of this, she recommended that use of the report be "suspended indefinitely".

In late February 1981, several North Dakota newspapers printed articles referencing the report. On March 3, 1981, the area office requested a copy of the report from the Garrison Diversion Conservancy District. In that request the Service offered to meet with the Garrison Diversion Conservancy District and a representative from Harza to discuss any apparent misunderstandings they may have with the Fish and Wildlife Service reports and procedures.

The Garrison Diversion Conservancy District forwarded a copy of the report to the Bismarck Area Office on March 6, 1981. The manager of Garrison Divserion Conservancy District agreed in the cover letter, which accompanied the report, that a meeting with the Garrison Diversion Conservancy District Project Planning Committee, Harza Engineering, the Water and Power Resources Service and the

Fish and Wildlife Service to discuss the report's findings would be appropriate. The manager said that he will inform the Fish and Wildlife Service when arrangements for this meeting are made.

Question: Have you been asked by anyone to provide the documentation that this engineering firm feels is essential?

Answer: The Fish and Wildlife Service has provided data on the methods and results of the wetlands inventories to the Water and Power Resources Service. In addition, the Water and Power Resources Service personnel assisted Fish and Wildlife Service personnel on some of the field work. The Service used Water and Power Resources Service maps and aerial photography, and Soil Conservation Service soils surveys during the inventories. The area office has also made this information available to the Garrison Diversion Conservancy District. In addition, the area office has discussed this information with the Garrison Diversion Conservancy District Board of Directors and taken them on field trips to demonstrate examples of wetlands losses and potential mitigation areas. Harza neither requested any documentation from the Service, nor indicated which data they believed are essential.

To form a reasonable conclusion, the Fish and Wildlife Service believes that Harza Engineering should have contacted either the Service or the Water and Power Resources Service to obtain this information. Instead Harza chose to base their report to the Garrison Diversion Conservancy District on only a small portion of the available information. Should Harza be interested in reviewing the wetland habitat inventories, the Fish and Wildlife Service will make these data available to them.

Question: I've read that report, and must say that it raises some serious questions that both the project sponsors and the general public deserve to have answered. For example: Did you use the same criteria for assessing wetland losses in the authorized Oahe Unit (in South Dakota) as in the Garrison Unit?

Answer: The Fish and Wildlife Service used the same criteria in determining wetland losses associated with the Garrison and Oahe projects. In general, wetlands that would be drained on irrigable lands, excavated or filled by project canals, or inundated by project reservoirs were assessed as lost. The apparent difference is in the reporting method rather than in the criteria used to determine wetland losses. On the Garrison Diversion Unit the Service reported the wetlands to be impacted on specific irrigation areas, such as East Oakes and Lincoln Valley, and features such as Lonetree Reservoir; on the Oahe project, the Service reported the percentage of wetlands which would be lost because of the project within larger study blocks identified by the Water and Power Resources Service for analysis purposes.

For the Garrison Diversion Unit, the Fish and Wildlife Service inventoried only wetlands on or adjacent to irrigable lands or within project canals, drains, or reservoirs. We did not inventory the larger study blocks. In South Dakota, for the Oahe Diversion Unit, the Service conducted inventories on study blocks which contained irrigable lands as well as lands not suitable for irrigation. Wetlands on lands not to be irrigated were not assessed as lost unless a project canal or drain was designed to go through them. Within the Oahe study blocks, only 60 percent of the wetlands

were determined to be lost, because the other 40 percent were not on lands to be irrigated or used for project features.

Question: Do you give credit to the project for rights-of-way when such land is to be managed exclusively for wildlife?

Answer: The Garrison Diversion Unit, as authorized, does not provide for the use of project canals, reservoirs and drains for mitigation. The Fish and Wildlife Service recognizes that canal and project rights-of-way may provide certain values for wildlife incidental to their principal purposes. However, rights-of-way will not provide long-term values for wildlife unless managed for wildlife purposes. At this time, the Water and Power Resources Service has not developed any management plans for project features which specify exclusive management for wildlife. Canal rights-of-way and similar features will be managed primarily for water conveyance or water storage, not wildlife.

Question: Does the Fish and Wildlife Service recognize the value to wildlife of additional stream flows?

Answer: The addition of water to augment stream flows may have value to fish and wildlife depending on the water quality, quantity, and timing.

The 1979 Final Supplemental Environmental Statement, prepared by the Department of the Interior, states that project waters will stabilize and increase flows in streams in the project area. Increased fish habitat and a reduction in fish kills during low or no-flow periods will result. On the other hand, increased nutrients in the project return flows may increase algae blooms, and result in unstable oxygen levels and decreased growth of submerged plants. Channelization of 142 miles of streams and rivers, which is necessary to carry the additional flows for the Garrison Diversion Unit, will destroy fish habitat and cause siltation of downstream reaches.

In addition, the 1979 Final Supplemental Environmental Statement says that increasing stream flows with Garrison Diversion Unit project water will provide opportunity for movement and survival of rough fish, especially carp, into National Wildlife Refuges and lakes where they do not now occur. This will degrade the existing waterfowl and fish habitats.

Question: Why can't you have a similar understanding with irrigation projects as you have with highway projects for replacement of wetlands outside the original right-of-way?

The principal difference between Garrison Diversion Unit mitigation and the Memorandum of Understanding between the Fish and Wildlife Service and the North Dakota State Highway Department is that the Garrison Diversion Unit has a congressionally authorized mitigation plan of 146,530 acres. The mitigation plan is one of several project purposes.

The Agreement between the Fish and Wildlife Service and the North Dakota State Highway Department was developed to address the unavoidable loss of wetlands protected by Fish and Wildlife Service easements. Easement wetlands were determined to be subject to provisions of Section 4(f) of the Department of Transportation Act.

Only recently has compensation begun on noneasement wetlands. The Fish and Wildlife Service recommendations for noneasement wetlands are usually a minimum of acre-for-acre replacement, using principally developed or restored wetlands.

Question: Mr. Chairman, I'd like to request the Fish and Wildlife Service to provide some additional information for the record. I'd ask that the Fish and Wildlife Service provide complete documentation and justification of its methods in identifying and quantifying acreages of land lost or adversely affected, as related to the Garrison project.

Answer: The rationale and objectives of the plan to compensate for lost and adversely affected wildlife habitat is explained in the Final Supplemental Environment Statement (February 1979, page IV 167-169). The procedure of identifying and quantifying the impacts on wetlands and other habitats has been explained to both the Garrison Conservancy District and the Water and Power Resources Service. In determining wetland habitat losses, the Fish and Wildlife Service used project maps and data provided by the Water and Power Resources Service and consulted Water and Power Resources drainage engineers. Irrigation areas and project features were plotted on aerial photographs. Each area and feature was then field surveyed to accurately identify all wildlife habitat which would be affected by project development. Soil data was also used to confirm survey results. Between 1974 and 1977, the Fish and Wildlife Service conducted habitat inventories in each of the Garrison Diversion Unit irrigation areas and project features. As the inventories were completed the information was provided to the Water and Power Resources Service. The information was made available to the Garrison Diversion Conservancy District.

The Fish and Wildlife Service has also met with the Garrison Diversion Conservancy District to explain to the Board of Directors the methods utilized to assess habitat losses. Fish and Wildlife personnel conducted field trips for the Garrison Diversion Conservancy District to explain impacts to wetlands, grasslands, and woodlands. Complete documentation and justification of the methods used to identify and quantify acreage of habitats lost or adversely affected are available. The Fish and Wildlife will supply or make arrangements for review, for Harza or any other interested party, this information upon request.

Question: I urge the Service to come up with an approach to modify its wildlife mitigation plan so that impacts not yet quantified, particularly in the category of adversely affected wetlands, need only be mitigated after they have, in fact, been shown to occur.

Answer: The quantified losses far exceed the ability of the projects authorized wildlife mitigation plan to offset them; mitigation of unquantified losses has not even been attempted due to the 146,530-acre limitation of the authorization. As a result, the Fish and Wildlife Service has recommended to the Water and Power Resources Service and the Garrison Diversion Conservancy District that the authorized mitigation plan emphasize habitat restoration. This type of plan is consistent with the recommendations of the International Garrison Diversion Study Board report to the International Joint Commission on the Garrison Diversion Unit.

In summary, the following are losses which will result from construction of the 250,000-acre irrigation project:

60,087 acres wetlands lost
13,175 acres wetlands adversely affected 1/
66,639 acres grasslands lost
4,046 acres woodlands lost
70,420 acres National Wildlife Refuges; loss of management
142.2+ miles stream channelization
56,217 acres establishment of hazardous nesting cover

It is the position of the Department that the wildlife plan will not compensate for these quantified impacts. Furthermore, the Service has not attempted to quantify impacts of increased disease potential to wintering/migratory waterfowl and the adverse impacts of the introduction of carp and other undesirable fish to ecosystems previously free of these species. The 1979 Final Supplemental Environmental Statement stated (page II-26) that approximately 198,000 acres would be needed to replace known Garrison Diversion Unit habitat losses.

1/ For planning purposes, the Fish and Wildlife Service consolidated a category of wetland habitat losses (adversely affected) containing impacts ranging from a small impact (0) to nearly total loss (100%). For impact analysis of this category, the Fish and Wildlife Service determined that wetlands will receive a 50 percent acreage loss.

Question: The Service is asked to clearly justify its more stringent criteria for Garrison Diversion mitigation as compared to requirements for highway projects in North Dakota or Oahe in South Dakota.

Answer: The Garrison Diversion Unit was authorized in 1965 with a fish and wildlife mitigation plan of 146,530 acres included as an integral part of the project. Since 1974, the Fish and Wildlife Service has reevaluated the project and found habitat losses to be greater than anticipated at the time of authorization. By adopting the habitat restoration concept, the Department will attempt to replace as many destroyed wetlands and grasslands as possible, within the constraint of 146,530 acres, as authorized. The Oahe Diversion Unit was authorized in 1968 with a mitigation plan of 39,940 acres. Similar to the Garrison Diversion Unit, the losses of the Oahe project are greater than anticipated at the time of authorization. However, the Fish and Wildlife Service has not asked for increases in mitigation on either plan even though the losses are known to be greater.

The Fish and Wildlife Service and the North Dakota State Highway Department assess the losses and develop the appropriate mitigation on a case-by-case basis on highway projects. Highway projects are quite small relative to the Garrison Diversion Unit. In addition, impacts to wetlands by highway projects are principally a partial filling rather than total drainage as on the Garrison Diversion Unit.

Question: Can you justify your policy of accepting only a zero impact on waterfowl production habitat--one-to-one replacement in kind--in light of the Water Resources Council's principles and

standards calling for a broad trade-off between varied uses of a resource?

Answer: The Fish and Wildlife Service does not have a policy of accepting only "a zero impact on waterfowl production habitat--one-to-one replacement in kind". House Document No. 325, presented to Congress in 1960, stated "The effect of the Garrison Diversion Unit on fish and wildlife resources will be made up of damages to waterfowl, particularly production habitat, which probably cannot be completely mitigated," (page 24). Assistant Secretary for Fish and Wildlife and Parks Nathaniel P. Reed on November 19, 1975, testifing before the Subcommittee on Conservation, Energy and Natural Resources of the House Committee on Government Operations, said, "it is a net loser for wildlife, even if the entire mitigation plan is acquired".

The 1979 Final Supplemental Environmental Statement (page II-26) states that to offset all the known and quantified losses of the Garrison Diversion Unit, approximately 198,000 acres of mitigation are needed. The Fish and Wildlife Service and the Department of the Interior have noted this loss of waterfowl production habitat and have not sought authorization of additional mitigation.

Through wetland and grassland restoration, habitat similar to that destroyed can be replaced. While wetland restoration is emphasized, reestablishment of cover on the uplands will provide nesting, feeding and winter habitat for most species of wildlife found in North Dakota, including pheasants, grouse, white-tailed deer, song birds, furbearers and small mammals.

The Water Resources Council's Principles and Standards do not call for reducing mitigative measures without a corresponding reduction in development and resultant impacts. The Principles and Standards call for comparable trade-offs between economic development and environmental quality. In other words, if Principles and Standards were applied to the Garrison Diversion Unit, there would be a reduction in irrigation development and the resultant impacts, and a reduction in mitigation acreage.

Land Acquisition

Question: With the growing opposition to the federal government purchasing land in states, does the Fish and Wildlife Service recognize the need to develop incentive programs to preserve wildlife habitat that is economically desirable to landowners?

Answer: The Service does recognize the need to develop economic incentives for landowners to preserve wildlife habitat. The Service acquires lands or interests therein for inclusion in the refuge system only if alternative habitat preservation means are not available and/or effective, for example, State or local acquisition, private conservation organization acquisition, local zoning, and State or Federal regulations. Furthermore, the Service acquires only the minimum interest needed to attain management objectives, for example, leases or easements instead of fee title. In addition, if the Service does acquire land in fee title, full consideration is given to use reservations, exchanges or other alternatives that lessen the impact of Service ownership on the seller and the community.

Question: Would the Fish and Wildlife Service contribute to the State Water Bank programs if the programs were designed to accept outside funds and the program criteria was acceptable to both federal and state interests?

Answer: The Service of course supports efforts to protect wetlands from destruction. However, the Service could not contribute funds to State Water Bank programs without authorization and appropriation of funds for such purposes by Congress. Congress has not authorized the Service to take such actions.

11. Question: Does the Fish and Wildlife Service make large mitigation demands for funded or permitted projects because of the growing opposition on land purchases by the Federal Government (such as for refuges or waterfowl production areas)?

Answer: The Fish and Wildlife Service does not, nor has it ever, used the fish and wildlife mitigation plans on a Federal project in North Dakota to compensate for other programs. Recommendations on fish and wildlife matters to the construction agency on funded or permitted projects are a requirement of the Fish and Wildlife Service by Federal law. These recommendations vary according to the loss of resources that will result from construction of the projects.

The Service views large mitigation plans as a last resort and believes they should be implemented only after alternate means to avoid or minimize planned losses have been considered. Large mitigation plans are recommended only when large losses occur as a result of project development. This policy is consistent with the President's Council on Environmental Quality definition of the mitigation process.

In the case of the Garrison Diversion Unit, Congress authorized in 1965, and directed the Secretary of the Interior to implement a project wildlife plan of 146,530 acres as an integral part of the project. This wildlife plan contributed to the original benefits of the project and was an essential feature in securing project authorization.

The Fish and Wildlife Service is advising the Water and Power Resources Service on how objectives of the plan can best be implemented. Since the projects wildlife acreage is set in the authorizing legislation, the Fish and Wildlife Service is working within that framework to emphasize recommendations that make the plan effective and approach the objective of mitigation of project losses.

12. Question: Does the Fish and Wildlife Service recognize how serious some of the sentiment against them has become due to their policies and procedures? Does the Fish and Wildlife Service recognize the need to compromise?

Answer: The Fish and Wildlife Service is cognizant of public concern over land acquisition policies and procedures of the Federal Government. There are a number of individuals and groups which are opposed to any further land acquisition in North Dakota for fish and wildlife purposes. There are also individuals and groups which support the Service's efforts to provide protection for our Nation's wildlife resources. The Service cannot and does not ignore either

of these positions. We are striving to reach some middle ground on this issue.

The Garrison Diversion Unit wildlife plan was authorized to accomplish specific objectives of mitigation of losses and enhancement of fish and wildlife as a result of Garrison Diversion Unit construction. We know today that the authorized wildlife plan acreage will be insufficient to accomplish the enhancement portion of the project, therefore, the Service has concentrated its efforts on making recommendations to the Water and Power Resources Service and Garrison Diversion Conservancy District on how to best achieve the mitigation portion of the plan within the authorized acreages.

The Service has identified project fish and wildlife losses above those previously recognized, but has elected not to recommend to Water and Power Resources Service at this time that additional authorization be sought to achieve an adequate wildlife plan.

Question: Some of us have felt quite strongly that any further acquisition of lands for mitigation should be only from "willing sellers". How do you feel about that?

Answer: We are attempting to locate suitable land that can be acquired for wildlife mitigation on a willing seller basis. This is consistent with the policy of the Department and long-standing policy of the Service. To aid in this effort, the Service has identified suitable mitigation lands in excess of those required so as to improve the prospect for acquiring the needed mitigation acreage from willing sellers. However, past experience shows that in order to consolidate holdings within a manageable boundary, condemnation may be needed. Condemnation may also be necessary to maintain annually concurrent construction and mitigation schedules, consistent with Departmental policy as stated in the Garrison Diversion Unit Environmental Impact Statement. Thus, the Service feels that any mitigation plan must include provisions for condemnation if a willing seller approach does not achieve the desired goals. This is the same authorized approach used in the acquisition of acreage for canals, other water conveyances and other features of the Garrison Diversion project. However, while condemnation has been used to acquire acreage needed for canal rights of way, to date condemnation has not been used to acquire acreage for the exclusive purpose of mitigation.

The need to retain condemnation as an acquisition tool for the Garrison Diversion Unit was recognized as late as October, 1980, in a report submitted by the Study Group on Mitigation. This group was chaired by a representative of the Interior Department and the Governor of North Dakota, and its members included representatives of the Garrison Conservancy District, the North Dakota Game and Fish Department, the Water and Power Resources Service and the Fish and Wildlife Service. On Page 15 of the group's unanimously-adopted report, the condemnation issue is addressed, as follows:

> ". . .the use of condemnation is a tool to achieve development of a mitigation plan concurrently with development of other project features. An acquisition schedule for mitigation should be developed. If, at the end of any fiscal year mitigation is behind schedule, condemnation will

have to be used in the following years to get back on schedule. Once back on schedule, the willing seller basis would apply. Condemnation may have to be used in special cases where the majority of a wildlife area has been acquired from willing sellers, yet one or two unwilling sellers remain. . ."

Question: Would you please tell the Committee whether or not you've acquired wildlife mitigation lands on a schedule far in advance of the actual construction schedule, and if so, is this customary?

Answer: Wildlife mitigation lands have not been purchased in advance of project construction and it is not customary to do so. According to the last statistics received from the Water and Power Resources Service, the Garrison Diversion Project is 16% complete and the wildlife mitigation plan is 6% complete.

Question: Will the Fish and Wildlife Service allow drainage of sheetwater on easement lands in wet years?

Answer: Sheetwater is considered unnatural water and therefore landowners can take whatever action is necessary to drain the sheetwater as long as the action does not reduce the amount of natural water retained in potholes and depressions that are under easement.

Wetlands

Question: Will the FWS review all easements to identify wetlands subject to easements so that landowners may farm their land without fear of criminal prosecutions?

Answer: Since 1976, the Service has been identifying specific wetland basins covered by all new easements. There are over 16,000 easements within the prairie pothole region of the upper Midwest. Rather than reviewing all the earlier easements, the Service is providing this information when a landowner requests it as a result of being unsure how the easement affects his property.

Question: How much money was realized from duck stamp sales in FY 79 and FY 80?

Answer: The total receipts from the sale of duck stamps in FY 1979 and FY 1980 was $27,718,359; $11,079,528 in FY 1979 and $16,638,831 in FY 1980.

Question: How much money was realized from the National Wildlife Refuge System lands in FY 79 and FY 80?

Answer: Funds are realized from the following categories of economic uses: forest products, haying, grazing, fur bearers, surplus animals, concessions, recreation user fees and miscellaneous receipts.

In FY 1979, the receipts totalled $4,089,555.22 and in FY 1980, they totalled $4,624,277.43.

Question: How much money was paid to counties for National Wildlife Refuge System lands in FY 79 and FY 80? What should have been paid?

Answer: Please refer to the data in the table below.

Year	Payment to Counties	% of entitlement	Full entitlement
1979	$5,558,716	75.9	$7,320,593
1980	$9,875,576	100.0	Same

Question: Why won't the FWS release the documents concerning its policy governing rights-of-way across FWS land?

Answer: The only incident we know of where we have not followed our policy of full disclosure was a request under the Freedom of Information Act in relation to a threatened lawsuit that requested certain documents. The Department Solicitor's office ruled that these documents were exclusions under the act.

Questions Submitted by Senator Harrison Schmitt

Employment Ceilings

Question: In FY 1981, you were authorized a total of 5,350 permanent positions. Do you plan to increase or decrease the number of employees?"

Answer: In the revised 1982 budget, the Service is requesting 4,872 permanent positions for FY 1982--a decrease of 478 from the 5,350 positions requested in FY 1981. These reductions are associated with the lower program levels requested in the revised FY 1982 budget in such areas as Habitat Preservation, Endangered Species, Construction, and Land Acquisition and the YACC. It is anticipated that the bulk of the personnel reductions, except for YACC which is almost totally a field operation, will be applied to the Washington Office and the regional offices.

Question: What are the current personnel levels charged to the Office of Regional Directors? Do you plan to increase or decrease the number of full-time personnel in these offices?

Answer: A total of 878 full-time permanent ceilings has been allocated to the seven regional offices. This is an average of 125 per regional office. As indicated in the answer to the question above, it is planned to reduce this total substantially in FY 1982 in the program areas identified.

Albuquerque Regional Office

Question: Has your office been approached by OMB to rejustify the plan to change the Albuquerque Regional Office to an Area Office? If so, what is your recommendation to OMB?

Answer: No, the Service has not been approached by OMB to rejustify the plan to change the Albuquerque Regional Office to an Area Office. A proposed reprogramming letter was sent to OMB for concurrence which, if approved by the respective appropriation subcommittees, would have maintained the office open. The letter was disapproved by OMB, but resolution of the matter is still under active consideration in the Office of the Secretary. Also, it is desirable that the new Assistant Secretary for Fish and Wildlife and Parks, as well as the new Service Director, be provided an opportunity to make known their positions. Confirmation proceedings on these two officials are still pending.

Question: Would the change result in any reduction in the number of personnel holding full-time positions in the Fish and Wildlife Service?

Answer: At the time the change was proposed in early 1980, it was considered feasible to achieve enough savings to fund an equivalent number of full-time permanent positions at the field level and the two regional offices that were to absorb the Albuquerque Office's supervisory workload. Subsequently, however, the revisions to the Service's FY 1982 January budget request reduced the number of full-time permanent position ceilings by 563. This will have a substantial impact on the staffing of all regional offices to the degree that it is impossible to state categorically whether or not a change in the status of the Albuquerque office would result in a reduction in the overall number of full-time permanent positions in the Service.

Question: Has any detailed study been conducted on the impact of such a change on minority employment within Fish and Wildlife? Is it not true that the Albuquerque Regional Office, with less than 3 percent of the total service personnel, employs approximately 30 percent of all Hispanic employees in the Fish and Wildlife Service?

Answer: Yes, a detailed analysis was prepared by the Service's Office of Equal Opportunity in July 1980. The purpose was to ascertain what impact the proposed Albuquerque office change would have on the employment of minorities, including women. Although, recognizing at that time that it was impossible to determine how many of the affected employees would be transferred or placed in other Federal agencies, the report concluded: "... it appears that the proposed conversion could have a profound impact on the Service's representation of women and minorities."

Our records indicate that the Albuquerque Regional Office has approximately 3 percent of Service manpower and employs 28 percent of all Service Hispanics.

Question: Would the change result in any reduction in the overall budget of the agency?

Answer: It should be noted that the proposed change, the first stage of which was initiated in the FY 1981 budget, resulted in a $700,000 reduction in the Service's Resource Management appropriation. Other than that, no further reduction in the Service's overall budget is contemplated. All savings would be applied to strengthening field level operations, where needed, throughout the Service. This is even more pertinent in the face of FY 1982 reductions.

Question: What would become the role of the District 6 Law Enforcement Division if the Albuquerque Region is dismantled?

Answer: District 6 of the Division of Law Enforcement encompasses the States of Arizona, New Mexico, Oklahoma, and Texas. It's future configuration under the proposed change has not been addressed. The entire national structure of law enforcement districts is now being reviewed and this matter will be a part of this review.

Question: What would be the cost to the government of cancelling the General Services Administration contract for a 15 year lease on a new building presently under construction for Fish & Wildlife?

Answer: Our Regional Office personnel have contacted local GSA officials in an attempt to learn the cost, should the contract be cancelled, but to no avail. It is our understanding that this would, in a significant measure, depend on the "damages" the construction contractor believed he had incurred. As of now, he has purchased the land, removed some small buildings, and placed some storage buildings on the site. It is our understanding that the building is not being constructed solely for the use of the Fish and Wildlife Service. We have expressed a need for 57,000 square feet. If the Regional Office were converted to an area office, far less space would be required. If the Service were to relinquish some of this space, it is possible that other Government agencies in Albuquerque could occupy it, but this might entail costs for breaking existing leases.

Question: Would the proposed action result in any savings to the government past the first year? If so, what savings?

Answer: The FY 1981 annual operating costs of the Albuquerque Office are about $5.5 million. The amount that would become available for reallocation in future years to other purposes in the Service is impossible to calculate precisely, although it is believed to be substantial. Theoretically, all savings should become available for reallocation, except the additional costs of slightly increasing the Denver and Atlanta Regional Offices, and the cost of operating the converted Albuquerque Regional Office to an area office.

Question: What is the estimated cost of moving affected employees to a new location? What would be the estimated cost of providing severance pay to those who did not choose to transfer?

Answer: No precise estimates can be made of the cost of moving affected employees to new locations, nor cost of severance pay. First the rights and preferences of affected employees would have to be analyzed; i.e., RIF retention rights, desire to retire or accept relocation, and identification of suitable vacancies within the Service or in other Federal agencies. In addition, the impacts of the January budget reductions now substantially complicate the impacts that would result solely from the conversion proposal.

Question: What efficiences of administration or management would be accomplished by changing the Albuqerque Regional Office to Area status?

Answer: The Service has been subject to criticism over a period of time for a perceived "top heaviness" in its administrative and supervisory functions relative to its field operational workload. Both appropriation committees have expressed the view that either the size or number of regional offices should be reduced.

Consolidating one regional office with other regional offices should lead to efficiency due to economies of scale. This is particularly applicable to the administrative functions, such as personnel management, contracting and property management, and budget and finance. It also is characteristic of support functions, such as engineering, land acquisition, and Federal aid grant coordination.

Question: The House Appropriations Committee in its report last year suggested that the agency should be prepared to consider the termination of area offices in the FY 1982 budget. What action is being taken to comply with this recommendation?

Answer: The House Committee report suggested that the Service should be prepared to consider the termination of the area offices, if the role of these offices were not clearly defined. In a subsequent status report on this directive the Service acknowledged that the advent of the area offices had resulted in some instances of overlapping authorities and responsibilities, something that may be the initial result of any major modification in organization of a national system. We did clearly define the roles and responsibilities of Regional and Area Offices.

The problem outlined by the Committee is the subject of continuing in-depth analysis and discussion within the Service, the results of which will be presented in detail to the new management team that is being installed at the Department of the Interior. The concerns expressed in several instances by the Committee and other members of the Congress also will be presented to the new managers. From their review, these new managers will have an opportunity to address the problems in a manner they consider appropriate. At this point, it is uncertain when the transition to the new management team, and their decisions on this matter, will be final.

Questions Submitted by Senator Robert C. Byrd

Service Travel

Question: On examination of the Fiscal Year 1982 budget documents reveals that the Fish and Wildlife Service is requesting $12,913,000 for travel from all sources. This compares with $10,203,000 in fiscal year 1979. The projected increase is $2,170,000 or 27 percent over three years.

Overall, this record is considerable better than the record of the Executive Branch, which is experiencing a 63 percent growth rate over those three years.

Nevertheless, the OMB documents point out that the Fish and Wildlife Service conducted 34,228 trips in fiscal year 1979.

5,848 of these 1979 trips were conducted for the purpose of "site visits." Would you explain this expenditure? What would be the adverse effect, if any, if this were trimmed back a little?

Answer: The OMB documents point out that the Fish and Wildlife Service conducted 34,228 trips in fiscal year 1979. This data and the data indentified in the accompanying questions was developed by a project team of representatives from OMB, GSA, Defense and other agencies. We understand this data was the result of the team's analysis of 200 travel vouchers submitted by the Service in support of the data provided in response to the Questionnaire on "Interagency Travel Management Improvement Project." Since the source of the data provided the committee by the project team was individual vouchers, the reference to "trips" is misleading. In the questionnaire we provided percentile data on trips by category, e.g., site visit, information meeting, et al.

As the Service's operations are located throughout the United States, this category of travel is our most active, approximately 56.7% of all trips in fiscal year 1979 were for visits to a particular site for the purpose of technicial assistance, or operational review. A reduction in this category of travel could result in a greater decentralization of program management and a potential decrease in the quality control aspect of our operations since limited, personal interface of program managers, project leaders and coordinators with field operations would result.

Question: 2,408 trips were for "information meetings." Would you explain, please? Could this be trimmed?

Answer: In fiscal year 1979 12.3% of all Service trips were categorized as information meetings. This is a category where we are making reductions in the number and frequency of such trips and in the number of attendees. These meetings and the associated high percentage in FY 79 reflected a policy of Service-wide management and information exchange through personal contact. The need to control costs and the State-of-the-Art in information exchange provides the opportunity to reduce and deemphasize this category of travel.

Question: 3,906 trips were for "training attendance." Please explain. Could this be reduced?

Answer: This category of travel purpose in FY 79 reflected the adjustment in Service growth and the increasing availability of technological and operational information relative to our programs and mission. Travel for attendance at training seminars and meetings should be considered a positive purpose category. We do, however, monitor this type of travel to ensure that the objective is consistent with the outlay of time and funds. This category can and is being reduced as resources and programs are curtailed.

Question: 172 trips were for "speech or presentation." Please explain. Could it be reduced?

Answer: Two out of one hundred trips in FY 79 involved a speech or paper presentation as part of a formal program of another organization. The active interest in the environment and the programs of the federal government and our particular agency appear to be the most causative factors in this category of travel. Again, like the training category above, external interests and impacts often establish the amount of travel done under this category. Costs associated with this travel are controlled by the combination of budget ceiling and program emphasis. We can reduce this travel by greater reliance on individuals outside the Service presenting papers or making speeches.

Question: 1,548 trips were for "conference attendance." Please explain. Could this be reduced?

Answer: This is a high category of travel activity with the Service. In FY 79, 7.6% of all trips were for this purpose. We are reducing this type of travel by reducing the number of attendees at conferences and symposiums. We will rely more on internal information exchange within the Service as opposed to broad, individual exposure through attendance at conferences, to accomplish the reduction.

Question: 860 trips fell under the category "other." What is this all about?

Answer: Since these questions were developed from data taken from individual vouchers by the project team, we consider this category and data to be the trips involving relocation, special mission and/or entitlement travel. As stated previously, the use of the 200 travel vouchers as the basis for this data may have resulted in categorizing other identifiable trips to this general purpose type, i.e. other.

Question: Fully 59% of Fish and Wildlife Service trips--some 20,296 trips--fall under the heading "unknown." Department-wide, only 19% of the 247,469 trips taken by Interior employees in fiscal 1979 were categorized by purpose as "unknown." But 59% of Fish and Wildlife Service trips were categorized by purpose as "unknown." Can you explain this?

Answer: From discussions with project team staff members, it appears that in their report to Congressional staff members, this category of travel should more appropriately be described as "undistributed." The application of the term "trip" to data from two sources (1) Questionnaire and (2) the 200 vouchers, results in distorted information, if the number of trips is considered to be synonymous with the number of vouchers. The percentages provided by us to the Questionnaire were obtained by our staff from the 200 vouchers plus available records of travel documents authorizing general and/or area travel. It appears that our number of general and area travel authorizations adversely impacted the analysis by the project team because the purpose of the travel was not shown on the claim voucher, since the travel was performed against a general or area travel authorization. We believe nearly all of this 59% or some 20,296 trips would be able to be classified under one or more of the aforementioned categories.

We are providing below, our statistics for fiscal year 1979 trips according to the categories established in the Questionnaire.

Site Visits	56.7%
Information Meetings	12.3%
Training Attendance	7.0%
Speech or Presentation	2.0%
Conference Attendance	7.6%
Other	14.4%
Total	100.0%

It should be noted that the Service's revised travel budget request for FY 82, is $2.6 million below that contained in the January budget request. This results from a combination of program reductions and planned administrative efficiencies described above. In addition, the Service has reduced its FY 81 travel request by $1.3 million.

Bowden National Fish Hatchery

Question: What is the fiscal year 1982 operating budget for the Bowden Fish Hatchery and how does this compare with the 1981 budget?

Answer: The fiscal year 1982 Carter Administration budget was $235,000, an increase of $35,000. The increase includes $16,000 for operations and $19,000 for cyclical maintenance. The Reagan Administration budget provides $231,000; an increase of $31,000, including $16,000 for operations and $15,000 for cyclical maintenance.

Question: How much more could be effectively and economically utilized at the Bowden Fish Hatchery in fiscal year 1982 and for what purposes?

Answer: Approximately $35,000 to meet increasing costs of fish food, utilities, supplies and equipment needed to operate the hatchery at an optimum level.

Question: What is the best estimate of how this facility will fare under the Reagan Administration budget?

Answer: The Reagan Administration budget includes adequate funding for Bowden NFH to maintain the current level of operation.

Question: What is the status of the construction program at the Bowden Fish Hatchery and how much more could be effectively and economically utilized in fiscal year 1982 and for what purposes?

Answer: The next planned phase of development at the station is $140,000, and includes $93,000 for a disinfection facility, $22,000 for rehabilitation of the heating system, and $25,000 for landscaping and other miscellaneous items.

Question: Give me the history of this request for the record.

Answer: This project was not of sufficient priority to be included in the Service's original budget request to the Department.

White Sulphur Springs National Fish Hatchery

Question: What is the fiscal year 1982 operations budget for the White Sulphur Springs Fish Hatchery and how does this compare with the 1981 budget?

Answer: The fiscal year 1982 Carter Administration budget was $162,000, an increase of $11,000 over the 1981 level. The request for White Sulphur Springs NFH was not changed in the Reagan Administration budget revisions.

Question: How much more could be effectively and economically utilized at the White Sulphur Springs Fish Hatchery in fiscal year 1982 and for what purposes?

Answer: Approximately $29,000 to meet inflationary increases in operational costs over the last several years and to operate the station at an optimum level.

Question: Give me the history of this request for the record.

Answer: The Services FY 1982 Budget Estimates to OMB included a $14,000 increase for White Sulphur Springs NFH.

Question: What are your best estimates of how this facility will fare under the Reagan Administration budget.

Answer: The Reagan Administration budget includes adequate funding for White Sulphur Springs NFH to maintain the current level of operation.

Question: What is the status of the construction program at the White Sulphur Springs Fish Hatchery and how much more could be effectively and economically utilized in fiscal year 1982 and for what purposes?

Answer: The next planned phase of development at the station amounts to $225,000 and includes $99,000 for resurfacing of roads, $93,000 for a standby generator and building, and $33,000 for rehabilitation of ponds B-1 and B-2.

Question: Give me the history of the request for the record?

Answer: This project was not of sufficient priority to be included in the Service's original budget request to the Department.

National Fishery Center - Leetown

Question: What is the fiscal year 1982 operations budget for the National Fishery Center at Leetown and how does this compare to the 1981 level.

Answer: The fiscal year 1982 Carter Administration budget was $1,914,000, an increase of $58,000 over the 1981 level. The Reagan budget reduces the requested increase to $50,000 over the 1981 level.

Question: How much more could be effectively and economically utilized at the National Fishery Center in Leetown and for what purposes?

Answer: The National Fishery Center, like the rest of the Service, is being financially pinched by inflation. It is estimated that inflation will increase the cost of day-to-day operational needs such as gasoline, fuel oil, electricity, etc. by about $113,000 in 1982 if use were continued at the same rate as in 1980-81. Although, the Center will continue all current program activities in FY 1982, the necessity to absorb this inflationary cost increase with various economy measures will result in the work being done in a less effective manner. If additional funding were available, the first priority would be to offset the impacts of inflation and continue existing operation at their present level.

Secondly, several new buildings funded in FY 1980 will be completed and coming on line in FY 1982. The Reagan Administration budget includes a $50,000 increase to meet the initial operational costs of these new facilities in FY 1982. However, in future years, an additional $140,000 on an annual basis could be used to cover the total operational costs of these new facilities. Also, an additional $100,000 could be used to increase the Fishery Center cyclical main-

tenance base to more adequately maintain existing facilities and meet future maintenance needs of these new facilities.

Finally, in an optimal funding situation, approximately $942,000 and 23 positions could be used for program expansion in the areas of fish health research, Fisheries Academy (training), aquaculture bio-engineering, and environmental-interpretive education.

Question: What are best estimates of how this facility will fare under the Reagan Administration budget?

Answer: The $58,000 requested increase has been reduced to $50,000.

Question: What is the status of the construction program at the National Fishery Center at Leetown and how much more could be effectively and economically utilized in fiscal year 1982 and for what purposes.

Answer: The Reagan Administration budget includes $696,000 to upgrade the present domestic water system. An additional $3,675,000 could be used for the following items:

$450,000	to provide for the insulation of the walls of the National Fish Health Research Lab (Senator Byrd FY 1981 amendment provided $100,000 for insulation of the roof).
$525,000	for equipment, displays, etc. for the Environmental, Interpretative Evaluation and Recreation program to be housed in the rehabilitated Old Stone Lab coming on line in FY 1982.
$2,700,000	to renovate existing ponds at the experimental hatchery.
$3,675,000	

Question: Give me the history of this request for the record.

Answer: The Service's FY 1982 Budget Estimates to OMB included $700,000 for upgrading the water system.

West Virginia Enforcement

Question: This committee's report on the 1979 appropriations act directed that the Fish and Wildlife Service assign a law enforcement official to Charleston, West Virginia. Last year you reported that the individual was assigned on May 6, 1979. For the record, would you bring the subcommittee up to date on the activities of this individual since his assignment?

Answer: Since May 1979, the special agent in West Virginia has been actively enforcing Federal wildlife laws in West Virginia, Western Pennsylvania, and Virginia. The agent has concentrated on major illegal commercial activities under the Lacey Act (Interstate Transportation). Much of this activity is concentrated in wildlife meat sold in urban areas, as well as hides and trophies. Some activities involve importation into a state for mounting by taxider-

mists or for sale. Other investigations involve state residents illegally taking wildlife in other states.

Migratory Bird Treaty Act cases investigated have involved the illegal taking of migratory waterfowl with the aid of bait, a first for West Virginia. There have been investigations of raptors, especially hawks, shot or trapped by hunt clubs or farmers, and owls shot for mounting. Several bald eagle shootings were investigated during this period. Tremendous advances have been made in coordination for combating illegal interstate transportation of wildlife with states surrounding West Virginia (Kentucky, Ohio, Pennsylvania, Virginia and Maryland). The liaison with West Virginia officials and instructors at the State Academy have increased knowledge and enforcement of Federal wildlife laws and undercover capabilities.

Under the Endangered Species Act, liaison with custom officials has been initiated. Shipments illegally imported into non-designated ports have been discovered, mostly involving unprocessed skins. Incidences of illegal take, sale, or interstate transportation of foreign or domestic endangered species are under active investigations.

Review of Project Permits

Question: Two years ago at these hearings, I questioned the witness (Mr. Greenwalt) regarding the delay in the issuance of a report by the Fish and Wildlife Service to the U.S. Army Corps of Engineers concerning railroad construction along Pidgeon Creek. Subsequent to the hearings, the witness made a personal visit to the site, and as a result that problem was resolved. Would you please, very briefly, give me a report on what steps have been taken within your agency to prevent similar impediments to the mining of coal in West Virginia? Follow this with a comprehensive report for the record, including examples of instances when your agency acted on a timely basis so that the many energy resources in West Virginia and other States could move forward in an environmentally acceptable manner.

Answer: In an effort to reduce or eliminate such situations as arose at Pidgeon Creek the Service has taken several actions in both procedural and technical areas:

1. The Service and Corps of Engineers have signed a Memorandum of Agreement designed to streamline permit review procedures by requiring actions to be taken within strict timeframes. This will eliminate unnecessary delays due to either Service or Corps inaction as has been experienced in the past.

2. The Service is developing Fish and Wildlife Coordination Act regulations which will provide for early participation by the Service and other wildlife agencies in early major project development activities.

3. The Service in FY 81 has allocated a portion ($45K) of the recently appropriated State and Private Coal Operations increase to the Elkins, West Virginia sub-office of the Division of Ecological Services. The increase will enable personnel of this office

to emphasize early input to industry and Federal and State agencies for the purpose of ensuring incorporation of fish and wildlife needs into project planning decisions. It has been our experience that such input enables fish and wildlife needs to be accommodated without costly design changes or delays in permit processing. Such input is more costly than simply reviewing permit applications which reflect project decisions long after meaningful input can be accommodated. The increase will also permit required input to the Corps of Engineers and other Federal permit processes in a more timely manner (less requests for extension of time for review). Unfortunately, in FY 82, the Service will be unable to provide funds earmarked specifically for this purpose. However, the emphasis on providing such assistance will remain.

Attachment A is a list of permit actions involving energy development in West Virginia which indicates the timeliness of Service action. When Service action was not provided within the original public notice comment period the reason for requesting an extension of time for review is given.

Attachment B details examples of Service actions regarding resolution of energy/fish and wildlife needs conflicts.

4. The Service is applying considerable effort toward development and dissemination of pertinent fish and wildlife information and impact assessment methodologies to the private sector as well as Federal and State agencies for use in energy development planning. Efforts are particularly aimed at areas of energy development including coal, power plants, and oil and gas activities. Those efforts affecting development of West Virginia energy resources are being carried out by the Service's Eastern Energy and Land Use Team located in Leetown, West Virginia. A list of products (studies, reports, etc.) developed and disseminated by the Service to the industry and governments for use in energy development planning is included as Attachment C.

ATTACHMENT A

Service Action on West Virginia Energy Related Permits
1979-80 Section 10 or 10/404 Permits (Corps of Engineers)

Public Notice	Relationship	Time	Reason for Time Extension
81-12R	Electric trans.	W	
80-169	Coal dredging	W	
No #	Coal loading	W	
80-154	Coal loading mooring facility	W	
80-156	Mooring oil terminal	W	
80-135	Electric trans.	W	
80-130	Coal dredging	W	
80-131	Coal loading	E	Additional information for review requested.
80-122	Coal dredging	W	
80-94	Electric trans.	W	
80-95	Coal dredging	W	
80-60	Coal dock	E	For review by Corps of Engineers of barge embedment practices. Barge embedment policy was subsequently adopted by Corps.
80-37	Oil terminal	W	
80-15	Coal loading	W	
80-3	Coal loading	E	Pending results
80-4	Coal dredging	E	of review of
78-166	Coal dredging	E	comprehensive study
78-178	Coal dredging	E	of coal dredging
79-74	Coal dredging	E	applications by
79-81	Coal dredging	E	the Corps.
79-144	Coal loading	W	
79-147	Gas pipeline	W	
No #	Electric trans.	W	
No #	Gas pipeline	W	
No #	Coal dredging	W	
79-185	Coal dredging	W	
No #	Gas pipeline	E	Pending Corps review of use of explosives for clearing work
79-91	Electric trans.	E	For coordination with
79-92	Electric trans.	E	National Park
79-90	Electric trans.	E	Service
79-110	Coal dock	W	
79-87	Coal dredging	E	Additional information requested
79-100	Electric trans.	W	

Public Notice	Relationship	Time	Reason for Time Extension
79-95	Navigation, Maint. dredging	W	
80-93	Coal Mining	W	
80-97	Coal Mining	W	
80-80	Electric trans.	W	
80-85	Coal dock	E	To conduct disposal site evaluation
80-71	Electric trans.	W	
80-16	Coal loading	W	
80-10	Coal loading	W	

E - Extension of time requested
W - Review, comment and input accomplished within the comment period.

ATTACHMENT B

Examples of Service Actions Regarding Resolution of Potential Energy/Fish and Wildlife Needs Conflicts

PROJECT NAME: Darwin Johnson, Vance Coal Company
Pre-application coordination

PURPOSE: Construct coal loading and multi-purpose commodities handling facility on Monongahela River near Uffington, West Virginia. Mr. Johnson's original proposal includes plans to embed 12 standard barges (6 long x 2 high) as a dock and mooring facility and dredge approximately 16,000 cubic yards of the river.

FWS ACTION: FWS met with the applicant, WVDNR, and COE on-site to resolve problems and expedite the permit process. We discussed the compliance of the project with the established dock policy and made suggestions as to how the applicant may modify the project to reduce environmental impacts (e.g., minimize barge embedment and dredging) and accomplish project objectives. The applicant is now in the process of developing alternatives and justifications for a modified proposal and developing a mitigation proposal to offset unavoidable resource losses. Once this project is advertised in a public notice, the permit process should proceed smoothly as all coordination will have been accomplished.

PROJECT NAME: Island Creek Coal Co., Public Notice ORPOP-F No. 79-104, November 2, 1979.

PURPOSE: Construct an 80 acre settling basin for wastewater from deep mining operations; illegal activity and after-the-fact application. The project impoundment would eliminate 16 acres of palustrine scrub/shrub and moss/lichen wetlands.

FWS ACTION: FWS requested the applicant first re-evaluate project site alternatives considering environmental impacts. The proposed site was reselected and final project approval required an adequate mitigation plan be developed. Through FWS coordination with the applicant, USEPA, and WVDNR, the applicant agreed to enhance and enlarge an existing wetland (10 to 20 additional acres), and reclaim the proposed settling basin, at the completion of its functional life span, to a wetland of approximately 15 acres.

No cost savings were incurred by the applicant; however, without FWS involvement in the permits and license process, valuable (and scarce) wetlands would have been lost, and fish and wildlife values would not have been compensated.

PROJECT NAME: Lilly Fork, Clay County, West Virginia, Channel job, Clinchfield Coal Company, a subsidiary of Pittston Coal Co.

PURPOSE: Channel approximately 2 miles of Lilly Fork to allow construction of a 6 mile railroad spur to be used to haul coal from proposed deep mine.

FWS ACTION: An early meeting at the project site during 1978 resulted in development of a plan which would leave the stream where it is by constructing a floodway and several small stream crossings. This new plan appeared reasonable to both the Coal Company and the Fish and Wildlife Service. The public notice for the project has not been issued to date, but based on the agreement reached, no problems are anticipated in the issuance of the permit.

ATTACHMENT C

1. Studies; Reports, etc: Products Developed for Use by The Industry in Energy Development Planning

"Training Program." "Surface Mining and the Natural Environment" in cooperation with the Interstate Mining Compact Commission, EPA, and OSM.

Methods for Assessment and Prediction of Mineral Mining Impacts on Aquatic Communities; A Review and Analysis. Workshop Proceedings.

A Summary of Fish and Wildlife Information Needs to Surface Mine Coal in the U.S. The status of State surface mining regulations of Januarty 1980 and the fish and wildlife information needs.

A Summary of Fish and Wildlife Information Needs to Surface Mine Coal in the United States. Fish and wildlife information needs in the Federal surface mining permanent regulations. Report.

Mined Land Reclamation for Fish and Wildlife in the Eastern United States: Report.

Surface Mining and Fish/Wildlife Needs in the Eastern United States Proceedings of a Symposium. In cooperation with West Virginia University.

Surface Mining and Fish/Wildlife Needs in the Eastern United States Addendum to Proceedings of a Symposium. In cooperation with West Virginia University.

A Rapid Procedure for Assessment of Surface Mining Impacts to Aquatic Life. Reprint - National Coal Association 1980 Meeting, Louisville, Kentucky.

A handbook for meeting fish and wildlife information needs to surface mine coal in OSM Regions 1, 2, 3, 4, and 5. A cooperative effort involving OSM, EPA, and FWS.

A Guide for the Enhancement of Fish and Wildlife on Abandoned Mined Lands in the Eastern United States.

Utilization of Surface Mine Ponds in East Tennessee by Breeding Amphibians. In cooperation with TVA.

Surface Mining Reclamation Demonstration Project - Cumberland Plateau Surface Mine Reclamation for Wildlife - A Model Reclamation Plan for Southern Appalachia. In cooperation with TVA.

A Guide for Vegetating Surface-Mined Lands for Wildlife in Texas and Okalahoma.

Coal Surface Mining and Fish and Wildlife Relationships in the Eastern United States. Volume I. Past Findings, the Surface Mining Law of 1977 (P.L. 95-87), Future Planning and Management Considerations, and Information Sources.

Coal Surface Mining and Fish and Wildlife Relationships in the Eastern United States. Volume II. Opportunities and Approaches for Fish and Wildlife Planning and Management in Coal Surface Mining, Reclamation, and Post Mining Land Use.

Relationships Between Wildlife/Fish and Surface Mining/ Reclamation Schemes. February 1978.

2. Fish and wildlife information systems and habitat classifications to aid in the orderly development of coal and other mineral resources of States; and, to summarize information for general land use planning and resource development in a cost-effective manner:

   A. West Virginia

      1. Runwild East - WV - State-wide summary of information on 824 animals and development of a computerized information system in cooperation with DER and State Heritage, FWS, FS, and Univ. of West Virginia.

2. The West Virginia Heritage Trust Program. Alternatives for the Future: The Application of Heritage Data to the Planning Process - in cooperation with State Heritage program and Nature Consevancy.

3. A Guide for Revegetating Surface-Mined Lands for Wildlife in Eastern Kentucky and West Virginia. FWS/OBS - 78/84 - in cooperation with the USDA Forest Service.

B. Other States

1. A Procedure for Describing Fish and Wildlife Coding Instructions - Development of a state-wide fish and wildlife information system for Pennsylvania, Alabama, Colorado, Minnesota, and Missouri.

2. Development of summaries of information on the affect of land-use on bird habitat and populations in West Virginia, Alabama, and Pennsylvania.

3. Development of methods to classify fish and wildlife habitat and other resources in a cost-effective manner - Appalachian ecoregion map, ecoregions of North America, ecoregions and watersheds of U.S.

3. Participation in inter-agency planning activities to reduce environmental conflicts in energy development and land use decisions.

A. West Virginia

1. Tug Fork inter-agency study

2. Little Kanawha inter-agency study

3. Reconnaissiance efforts on Peach Creek, WV, mine refuse problem

4. At request of DNR served as member of technical advisory committee on (Clean Water Act) 208 program - mining.

B. Other States

1. Developing fish and wildlife standards - definitions, species, names, and habitat classifications in cooperation with FS, USFS, BLM, and SCS as part of five inter-agency agreement.

2. Fish and Wildlife Habitat Protection: A Decade of Research Progress 1970-1980 (in cooperation with U.S. Environmental Protection Agency) - an EPA monograph decade project.

3. Planning for Urban Fishing and Waterfront Recreation (in cooperation with U.S. Environmental Protection Agency, U.S. Army Corps of Engineers, Sport Fishing Institute, Academy of Natural Sciences of Philadelphia, and U.S. Department of Interior; Heritage Conservation and Recreation Service, Water and Power Resources Service.

4. The Biota of the Freshwater Potomac River Symposium Proceedings, (in cooperation with Interstate Commission on the Potomac River Basin and States of West Virginia, Maryland, Pennsylvania, Virginia, and the District of Columbia.

5. Demonstration for Reclamation of Fish and Wildlife in Northern Appalachia (pending) - in cooperation with Office of Surface Mining Reclamation and Enforcement and the Commonwealth of Pennsylvania.

6. Best Technologies Currently Available for Restoration of Fish and Wildlife on Surface-Mined Lands in Northern Appalachia - in cooperation with the Office of Surface Mining Reclamation and Enforcement.

7. Characterizing aquatic invertebrates in Northern Alabama to assist in development of coal resources. Cooperative effort OSM, FWS, and BLM.

8. Identification and Best Management Practices for Fis and Wildlife on Surface Mined Counties in Western Kentucky (pending) - in cooperation with Office of Surface Mining Reclamation and Enforcement, Water Resources Research Institute of Kentucky, and University of Louisville, KY.

Questions Submitted by Senator Patrick J. Leahy

Endangered Species

Question: On February 19, the Department of the Interior issued a statement declaring that the "high priority" portions of the Endangered Species Act would be continued. Most of those in the biological sciences community consider the recovery program to be one of the most important portions of the Act. What are your intentions regarding future funding of the recovery program? Does the Department plan to continue this funding at the same levels as before?

Answer: For several years, in an effort to focus planning and budgeting on species most in need of support, the Office of Endangered Species has utilized a priority system which ranks all species, both listed and unlisted. For the recent budget reductions, this priority system was used as a guide for identifying proposed decreases in the various activities of the Endangered Species Program. Examples of high priority species are the whooping crane, Mississippi sandhill crane, and California condor. Species of lower priority are the bald eagle and brown pelican. In general, low priority species' programs involve those species which face a low to moderate threat to their continued existence.

Future funding of the recovery program will be reduced in several areas. Reductions proposed in research will be made by eliminating funds for in-house research objectives scheduled to terminate in FY 1981, reducing the level of research contracts, and eliminating lower priority research objectives. The high priority core of the program, addressing the recovery needs of such species as the California condor, whooping crane, Mississippi sandhill crane,

Puerto Rican parrot, Hawaiian forest and sea-birds, Minnesota wolves, and dusky seaside sparrow, remains intact.

Lower priority endangered species activities conducted on refuges will be phased out in FY 1981. The focus of the recovery program will be on precluding further deterioration of species and their habitats, rather than conducting enhancement actions such as habitat manipulation. The level of recovery actions on non-Service lands will also be reduced. Funding for recovery actions scheduled for completion in FY 1981, or reduction in FY 1982, will be eliminated.

Anadromous Fish Act Program

Question: Will ongoing construction under the Anadromous Fish Act be affected by budget reductions? I am concerned that projects, such as the White River National Hatchery, will not receive adequate funding for completion.

Answer: Under the Administration's proposed budget reductions, the Anadromous Fish Act Grant Program would not be funded in FY 1982. As a consequence, eight construction projects currently in progress in various States under this program would be terminated unless the States assume funding responsibility. Construction of Service facilities, including White River NFH, is appropriated under a separate account and is not affected by termination of the Anadromous Fish Grant Program. However, no funds were budgeted in FY 1982 for construction at White River National Fish Hatchery.

Questions Submitted by Senator Lawton Chiles

Construction Funding for Exotic Fish Research Laboratory

Question: In March of 1980 the Department of the Interior prepared and submitted a report to Congressman Sidney Yates, Chairman, Subcommittee on Interior and Related Agencies Appropriations entitled "A Study of Fish and Wildlife Service Fishery Research Laboratory Capabilities and Facility Needs." This report highlighted the problem created by the release of exotic fish into the Nation's waters and identified the problems as a high priority concern of the Fish and Wildlife Service. As a result of this report, $2.5 million was appropriated in FY 1981 to initiate construction of a fishery research laboratory in Gainesville, Florida. In the Subcommittee Report the Gainesville facility is listed as the Service's highest priority construction need for a fishery research facility. Has anything happened since you filed that report to indicate that Exotic Fish Introductions are no longer a serious problem for the Nation's fisheries resources?

Answer: The intentional and unintentional introduction of exotic fish species into U.S. waters continues to be a problem of significant potential impact. This is particularly true in the southern States where a number of inadvertent introductions of tropical and subtropical species have occurred as a result of importing of aquarium fish. In most cases, the potential impact of exotic species on native species and populations is largely unknown or

conjectural. In the past, some introductions, such as the German carp, have resulted in tremendous detrimental impact on native fishery resources throughout the country. In other instances, such as the Brown trout, introductions have proven very beneficial. However, it is imperative that potential impacts be analyzed prior to introductions if we are to adequately protect our native resources. For this reason, the Service continues to view research on exotic fish introductions as a high priority Fishery Resources program objective.

Question: What is the status of construction of the National Fishery Research Laboratory in Gainesville, Florida?

Answer: A total of $500,000 was appropriated in FY 1979 for planning and design of this facility. A conceptual plan was developed for construction of the facility on 25 acres provided by the University of Florida at the Agricultural Research Station at Gainesville. An access road and electrical and telephone services have been constructed to the site. Soils investigations and foundation analyses have been completed and the site has be cleared and prepared for construction. Wells for operational and domestic water have been drilled and cased. The laboratory Director's office, previously located at the University, has been moved to temporary trailors on-site to oversee construction activities. Engineering design of the main laboratory building was completed in January, 1981 and bid solicitation documents have been prepared.

As part of its overall program to reduce Federal expenditures, the Administration has requested that the FY 1981 appropriation of $2.5 million be rescinded and construction of this facility be deferred until future years when the budgetary climate is more favorable. This will necessitate seeding of the construction site to prevent dust and soil erosion and minimal security measures to protect the site and completed work in the interim.

Question: Will the $2.5 million complete the construction of the laboratory.

Answer: The $2.5 million would have provided for only the exterior building shell of the main laboratory.

Question: How much will it take to complete the building?

Answer: An additional $1.3 million in 1982 would be required for interior finishing and installation of major equipment and associated facilities to provide a functional research laboratory building.

Question: What impact will be created if the $1.3 million is not appropriated in FY 1982 but delayed to FY 1983?

Answer: The Service's original FY 1982 request for $1.3 million to complete the laboratory building has also been deferred as part of the Administration's budget revisions. In recent years, construction costs have been increasing at about 15% per year. At this rate, projected cost of the complete laboratory building would be approximately $4.8 million if built in 1983.

Question: Will this complete the Gainesville facility?

Answer: No. The conceptual plan for the total facility included a system of 28 ponds with associated facilities to be used for ecological studies with exotic species, and storage and maintenance facilities for the station.

Question: What will be the additional costs of this construction?

Answer: Estimated 1982 cost is $3.1 million plus inflationary increases to time of actual construction.

Questions Submitted by Senator Dale Bumpers

Norfork National Fish Hatchery

Question: The Department of the Interior currently operates a trout hatchery known as the Norfork National Fish Hatchery. This facility is located in Baxter County, Arkansas and produces approximately 500,000 pounds of trout annually. However, for the past several years the hatchery has been plagued by increasing costs for fuel, fish food and other items. What amount is being spent at Norfork Fish Hatchery in the current fiscal year for operations and maintenance?

Answer: We have $407,000 budgeted for Norfork NFH in FY 1981, an increase of $71,000 over actual expenditures in FY 1980.

Question: What amount do you have in the budget to spend on operations and maintenance at the hatchery in FY 1982?

Answer: We have $407,000 budgeted in FY 1982.

Question: Are any additions to existing facilities planned at the hatchery in the coming fiscal year?

Answer: No additions are planned in FY 1982 at the Norfork NFH.

Question: The hatchery currently is staffed by six (6) persons, which includes the supervisor of the hatchery. Are there any plans by your agency to increase staffing at the hatchery, in light of the fact that it is operated by a smaller staff than other comparable hatcheries?

Answer: A portion of the additional funding allocated to the hatchery in FY 1981 will be used for temporary and seasonal hires to alleviate personnel deficiencies during busy times of the year.

Fish Farming Experimental Station

Question: There is a Fish Farming Experimental Station in Stuttgart, Arkansas operated by the Fish and Wildlife Service. This Station also receives money from the National Marine Fisheries Service of the Department of Commerce. What is the funding level for the fish farming experiment station for the current fiscal year?

Answer: The Service has budgeted $421,000 from the Resource Management Appropriation in FY 1981 for research activities at

the Fish Farming Experimental Laboratory. In addition to this, $141,000 is provided from funding received from the National Marine Fisheries Service to provide extension services to commercial fish farmers.

Question: What are your estimates for funding for FY 1982?

Answer: The revised FY 1982 Service budget request provides the same level of funding for Stuttgart as in FY 1981. At this time, we do not know to what extent the FY 1982 budget revisions will affect the National Marine Fisheries Service funding for Stuttgart.

Question: On page 140 of the budget justification, it is noted that the experimental station at Stuttgart is to receive an additional $135,000 in FY 1982. Is this still a correct statement and, if so, what will the money be used for?

Answer: This requested increase has been deferred in the Reagan Administration's budget revisions.

Arkansas Land Acquisition

Question: On page 90 of the budget justification, it is stated that there will be $125,000 spent at Overflow Bottoms National Wildlife Refuge in Ashley County, Arkansas. The justification states that this money will be used for initial supplies and materials, two positions and other matters. Is this still a correct statement? Also, of the total area of some 10,500 acres, only about 2,100 acres will have been acquired by the start of FY 1982. What are your acquisition plans for the Overflow Bottoms area for FY 1982? When do you anticipate that land acquisition will be completed in this area?

Answer: The Revised 1982 Budget does not include funding or ceilings for any recently established refuges.

In FY 1981 the Service acquired 1,666 acres with the $1.25 million appropriated from the Wetlands Loan Advance for establishment of Overflow National Wildlife Refuge. In FY 1982, approximately 800 acres are anticipated to be acquired on Overflow Refuge. Between 1,000 to 2,000 acres per year will be acquired on Overflow Refuge for completion of the refuge between FY 1986 and 1990.

Question: There has been some interest in the acquisition of Holland Bottoms in Central Arkansas as a wildlife refuge. This area consists of roughly 2,200 acres. Do you currently have any plans to begin acquisition of land in this area for a refuge?

Answer: At this time, there are no plans to begin acquisition of this refuge.

Question: The Fish and Wildlife Service has been studying alternatives to preserve fish and wildlife habitat in the Cache River Basin. Public Hearings have been held in Arkansas on this issue. What effect, if any, will the President's Department of Interior budget-restrictions have on the mitigation plans for the Cache River Basin?

Answer: The President's Department of Interior budget-reductions will have no impact on the Fish and Wildlife Service's involvement in the Cache River Basin. A notice of intent was published in the Federal Register on May 5, 1980 which advises the public that the Fish and Wildife Service intends to gather information necessary for the preparation of an Environmental Impact Statement for a proposal to protect and preserve fish and wildlife habitat (bottomland hardwood wetlands) in the Cache River-Bayou DeView floodplain. The area under consideration is the ten-year floodplain from the confluence of the Cache and White Rivers upstream to Grubbs, Arkansas, and from the confluence of the Cache River and Bayou DeView upstream to Morton, Arkansas. This includes portions of Jackson, Monroe, Prairie and Woodruff Counties in northeastern Arkansas.

The preparation of the Environmental Impact Statement is progressing on schedule. Four public meetings (three in Arkansas and one in Tennessee) were held to gather information and to obtain suggestions from local, state and Federal agencies and interested individuals concerned with the Cache River Basin. The public comments and specific resource information received are currently being evaluated and detailed alternatives will be formulated concerning potential courses of action(s) to be taken by the Fish and Wildife Service. This information and other feasible alternatives identified during the public meetings and scoping meetings will be incorporated into a Draft Environmental Impact Statement. A thorough discussion of each alternative to preserve wetlands of the Cache River-Bayou DeView floodplain and potential impacts will be included in this document. If land acquisition by the Fish and Wildlife Service emerges as the preferred alternative to protect and perserve the important waterfowl habitat in the Cache River Basin, this will be accomplished consistent with authorities contained in the Migratory Bird Conservation Act of 1936, as amended. Funds from the Migratory Bird Conservation Account will be used subject to approval by the Migratory Bird Conservation Commission.

Questions Submitted by Senator J. Bennett Johnston

Steel Shot Regulations

Question: How do you interpret the language on steel shot in the appropriations bill?

Answer: The Service interprets the Interior Appropriations Bill language to mean that it cannot require the use of steel shot on State or private lands without the consent of the State. Insofar as national wildlife refuge lands are concerned, the Service is charged by The National Wildlife Refuge Administration Act to allow only those uses on refuges which are compatible with the purposes for which the refuge was established. Therefore, the Service cannot condone the use of lead shot on refuge lands that have a history of high levels of hunting with resultant deposits of lead shot that adversely affect waterfowl. There are several other primary Acts governing the management and uses authorized on national wildlife refuges. Each refuge is closed to any form of public use unless such use is specifically authorized by regulation.

Question: Do you believe this language, which specifically prohibits the "implementation or enforcement of any rule or regulation of the United States Fish and Wildife Service, Department of the Interior, requiring the use of steel shot in the hunting of waterfowl in any state of the United States, unless the appropriate state regulatory authority approves such implementation and enforcement", needs further clarification to assure that Federal refuges are not exempt from the prohibition? If so, do you have any specific recommendations to make now, or to submit for the record, to clarify this matter?

Answer: There are other Federal laws relating to the management and recreational use of refuges. If it is Congress' intent to override these other laws with regard to the type of shot to be used on refuges, the Service believes that language on steel shot should specifically require that lead be used in waterfowl hunting programs on national wildlife refuges, if the respective State requests that lead shot be used.

Question: In 1979, an informal committee comprised of Federal officials and representatives for Louisiana was set up, at my request, to study the effect of steel shot on the environment. The results of the committee's review were due in the Fall of 1980. Has this review been completed? If so, what were the results?

Answer: The review committee planned and conducted two projects in the fall of 1980. In one study 1,000 dead ducks and geese were collected from two locations and are being analyzed as to cause of death. A report on this will be available this summer. In another study, steel shot was used at Lacassine NWR, and its performance was compared to a popular lead shot load. The shooting test resulted in 1,200 bagged birds, but it was agreed at the outset that a minimum of 2,000 bagged birds would be required to properly evaluate the test loads. Consequently, we are planning to extend the shooting test for a second year. We believe it is inappropriate to attempt an analysis of an inadequate sample.

Question: How will these findings affect Fish and Wildlife Service policy regarding the use of steel shot on Federal refuges in Louisiana?

Answer: Since we have not yet completed the studies we do not have the information available to address this question.

Bogue Chitto NWR, Tensas Basin NWR

Question: What is the status of the FY 1981 money for Bogue Chitto? If these funds are not made available, won't we be going back on a good faith effort to reach a mutually agreeable settlement negotiated by the landowners and Fish and Wildlife Service officials.

Answer: As of the end of February, about $6,045,000 of the appropriated $6.6 million had been obligated. The purchase agreement on the key 16,194-acre property was accepted and obligated in January. Only $25,000 of this appropriation is within the proposed FY 1981 rescission.

Question: What is the status of the FY 1982 money initially budgeted for Bogue Chitto? Do you plan to proceed with further

acquisitions in this area? If not, how do you propose to protect this area from clear-cutting and conversion to farmland (soybean production)?

Answer: The $2 million initially budgeted for Bogue Chitto was to acquire approximately four ownerships totaling 6,000 acres. We currently have a purchase agreement in hand for 1,134 acres at a cost of $285,000 which will have to be refused.

As for further acquisitions, it will depend as to where Bogue Chitto stands within the priorities for the needs of the entire National Wildlife Refuge System. The needs for acquisition of all refuge units are to be re-evaluated. If Bogue Chitto does not receive further acquisition funding, there is no way for us to prevent the unacquired acreage from conversion to farmland. Perhaps the State may be able to acquire some of it.

Question: What is the FY 1982 funding situation for the Tensas Basin Refuge? Do you plan to proceed with purchases in the Tensas Basin Refuge? If not, how do you propose to prevent the loss of this valuable wildlife habitat?

Answer: The revised FY 1982 budget does not provide for any additional land acquisitions at this time. The Service is in the process of studying the area; however, we have no immediate plans to purchase additional land in the Tensas Basin Refuge.

Since the 10,000 acres of the Tensas Basin area are not scheduled for acquisition, the Service has no authority to prevent the conversion of this land to farmland.

Funding for Blackbird Damage Control

Question: The Carter budget for FY 1982 contemplated continuing this (blackbird damage control in Arkansas and Louisiana) program at the FY 1981 level. Do your budget amendments change this recommendation and, if so, by how much?

Answer: My budget amendments do not change the amount of funding recommended for this program.

Land and Water Conservation Fund

Question: How many such Fish and Wildlife Service negotiations will be disrupted if the FY 1981 and FY 1982 proposals were approved by Congress?

Answer: The Service currently has fourteen purchase agreements in hand on nine refuge units that have been received since the moratorium on land acquisition activities went into effect. The options cover 2,874 acres at a cost of about $2.8 million and were to be acquired this fiscal year. In addition to these, negotiations with numerous landowners on twenty-four refuges have been terminated.

Question: How many areas are in danger of being lost if funds for acquisition are not provided this year? Please provide a specific list for the record?

Answer: Areas in danger of being lost if FY 1982 funding is not available are:

Tensas NWR: The owners of the 50,000-acre tract have previously cleared substantial portions of their other holdings and plan to begin clearing the key property if funding is not imminent.

Blunt-nosed Leopard Lizard: The acquisition is for remaining habitat within the San Joaquin Valley. It is subject to extensive clearing and leveling for irrigated cropland.

California Condor: The 1,700-acre Blue Ridge is subject to development for summer homes.

West Indian Manatee: Development permits are about to be issued on these islands.

Clear Creek Gambusia: This 800-acre tract is owned by an individual family trust of 30 members. If not acquired it will be divided and sold on the market for residential development.

Question: Is it not true that many areas will cost more in future years since land values are escalating at an average rate of 15 percent per year nationwide? For example, I am told that if the initial funds requested by the previous administration in FY 1982 for acquisition at the Tensas Basin Refuge ($10 million) are not appropriated, the landowners will insist that the total price be renegotiated and full acquisition of this 50,000-acre refuge will likely cost an additional $25 million, or a total of $75 million, possibly making it too expensive to acquire in the long run.

Please provide a specific list of additional costs you expect from other purchases which would be postponed under the Administration's proposal for the record, including which areas could be priced beyond our ability by such increased costs and what the habitat loss will mean.

Answer: Increased costs of specific acquisition are:

Unit	Estimated Annual rate of escalation %	Increased cost if postponed one year
Bogue Chitto	20	$ 400,000
Bon Secour	30	1,050,000
Great Dismal Swamp	20	420,000
Minnesota Valley	15	330,000
San Francisco Bay	10	170,000
Tinicum	20	300,000
American Crocodile	30	630,000
Blunt-nosed Leopard Lizard	30	780,000
California Condor	20	240,000
Clear Creek Gambusia	15	225,000
Kirtland's Warbler	10	110,000
Moapa Dace	10	85,000
Puerto Rican Plain Pigeon	20	110,000
Watercress Darter	15	15,000
West Indiana Manatee	30	135,000
Yaqui Topminnow	15	128,000
		$5,128,000

Permits and Licenses

Question: I understand that funding for Fish and Wildlife Service permit and licensing programs will be sharply reduced in FY 1982, despite the fact that Fish and Wildlife Service activities will not be reduced and in some instances will actually be increased. For example, the Fish and Wildlife Service is required, under that Clean Water Act's section 404 program, to make findings about an action's environmental impact prior to the issuance of the permit necessary to begin certain work in areas classified as wetlands (which, by the way, includes a large portion of southern Louisiana). As far as I am aware, no legislation has been introduced to change this requirement (which does not expire until September 30, 1982), yet I am told that the Administration is requesting about 17.5% or 1,008,000 less in FY 1982 than was appropriated for these programs in FY 1981. Since activities are not expected to decline, won't this simply increase the Service's backlog for reports required under the 404 permit process?

Answer: The reduction of $1.5 million in funding for permits and licenses activities will not create a backlog of Section 10/404 permit reports within the Fish and Wildlife Service, nor will it extend the time in which permit applications are processed by the Corps of Engineers. The Service will be forced to reduce its overall efforts in the review of Section 10/404 permits. The Clean Water Act mandates that the Corps make a determination on a permit application within 90 days from the date of issuance of a public notice. During this 90-day period, the Fish and Wildlife Service is provided an opportunity to investigate and report its findings to the Corps. This is usually done within 30 to 45 days. The absence of a Fish and Wildlife Service report does not stop the Corps' permitting process or extend the established time frame.

Question: How many projects do you anticipate will be delayed as a result and how much will this delay add to direct and indirect costs?

Answer: It is not anticipated that there will be an increase in the number of permit applications delayed due to Fish and Wildlife Service recommendations. In the past, less than one percent of all public notices reviewed by the Service are detained from immediate action due to requests for elevation for review at a higher level of authority. In cases where further review of a permit application is requested, the time frame in which this action is to be completed is established in the 1980 Memorandum of Agreement between the Secretaries of the Interior and the Army. The consumation of the Memorandum of Agreement was mandated by the Clean Water Act. The maximum time allowed for elevated reviews up through the Secretarial level on issues of National significance is 270 working days.

The added direct and indirect project costs due to delays would not be expected to exceed the current rate of inflation, plus the cost of any mitigation measures that would be negotiated during the extended review period.

Early Planning

Question: In recent years, the Fish and Wildlife Service has tried to become involved early in project planning, to identify potential problem areas before project sites are actually selected. Many contend that this involvement has helped avoid serious project delays later on, yet I am told that the budget for Areawide Planning is being cut by over one million dollars ($1,000,000) in FY 1982. Won't this simply mean that project delays will be encountered later on since less information will be available about the sensitivity of certain sites?

Answer: Although the budget for Areawide Planning is being cut from $7.263 million to $5.263 million, the Service expects that reductions in other programs will reduce the demand for our early involvement. For example, the Service's early assistance with the development of State coastal zone management programs, river basin planning, and designation of wilderness, wild and scenic rivers, and other unique areas will be discontinued. Our assistance with State coastal zone management program implementation will be significantly reduced. These actions are commensurate with the reductions in the primary funding sources for FY 1982. The $5.263 million remaining for Fish and Wildlife Service early involvement in FY 1982 is believed to be sufficient to effectively facilitate balanced development of the Nation's natural resources without seriously imparing the conservation of fish and wildlife and their habitat.

Question: How much do you expect that these delays will add to direct and indirect project costs?

Answer: To the extent that the Service accurately anticipates where timely and effective provisions of fish and wildlife information will be needed to facilitate project development, there should be few if any additional costs due to project delays.

OCS Activities

Question: Similar cuts from the Carter budget request, I am told, are being recommended in Fish and Wildlife Service OCS siting activities, despite the Administration's proposal, which I support, to accelerate the OCS leasing program. Will the Fish and Wildlife Service be able to carry out its required role with regard to OCS sales with a funding level in FY 1982 approximately equal to that received in FY 1981?

Answer: The Fish and Wildlife Service will be able to continue its participation in the Department's OCS leasing activities with the expected FY 1982 funding level. However, because of the expected OCS leasing acceleration in Alaska, the FY 1982 funding level will require the Service to prioritize its participation.

Question: How much has the Fish and Wildlife Service needed for completing required environmental assessments of each lease sale in the past?

Answer: Although, the Fish and Wildlife Service has no required environmental assessments to complete in each lease sale area, the Service actively cooperates with the Bureau of Land Management, under Departmental Manual Release 655, in conducting studies to address specific needs. The OCS Environmental Studies Program for the

administration, management, funding, and implementation of studies in specific geographic areas as part of the OCS mineral leasing program is administered by the Bureau of Land Management.

Question: How much do you expect the studies involved in each scheduled OCS lease sale in FY 1982 to cost?

Answer: The funding levels and requirements for studies in each scheduled OCS area are established by the Bureau of Land Management, which has been designated by the Department to administer the OCS environmental studies program.

Question: If there is any discrepancy between expected costs and funding for FY 1982, do you expect any delays in the leasing program to occur due to lack of funding for your assessment work? If so, won't this mean a reduction in the number of sales which will be completed in FY 1982? If this is the case, what will the revenue affect?

Answer: Since the Fish and Wildlife Service does not administer the environmental studies program, the Bureau of Land Management should respond to this question.

Questions Submitted by Senator Lowell Weicker

Fish and Wildlife Service

Question: I am concerned that the cutback in the Fish and Wildlife budget of $65.6 million will seriously impact on many good programs, particularly research on the endangered species which is a major problem in the world.

Answer: We have proposed $500,000 reduction in endangered species research. This will defer lower priority contracts and in-house research scheduled for FY 1982; however, the highest priority research core of the program will remain intact.

Many of the other proposed reductions are from program increases over FY 1981 (-$9.6 million), withdrawing State grant support thus increasing reliance on the States to fund projects they consider to be of high priority (-$7.9 million), transferring the Alaska subsistence grant program to the Office of the Secretary (-$3.5 million), and deferring a number of construction projects (-$19.2 million) until overall fiscal conditions improve.

The other program reductions will force improved management and careful consideration of priorities in the habitat preservation program (-$12.1 million) and belt tightening actions in a number of other areas.

However, operations and maintenance of refuges, hatcheries, and research facilities will increase a net of $5.7 million over FY 1981 reflecting my strong commitment to taking care of the substantial capital investment in Service facilities and lands and basic resource protection and visitation considerations.

Question: Why have you taken such drastic action on the Fish and Wildlife programs.

Answer: Reductions in the 1982 budget for the Fish and Wildlife Service will require the agency to do a better job of managing its programs. We will streamline operational procedures in carrying out the mandates of current legislation.

I believe with these corrections in place, the Service will be able to accommodate its major responsibilities in a more cost effective manner.

Question: I understand that you consider the Fish and Wildlife Service as a major deterrent to energy and other natural resource development. Please comment.

Answer: The Fish and Wildlife Service has been perceived in some areas as an obstacle to economic development. In some instances, the Endangered Species Act and the Fish and Wildlife Coordination Act have been used by organizations outside the Fish and Wildlife Service to delay or stop energy and land and water resources development projects. However, I do not believe that the Fish and Wildlife Service is a major deterrent to energy and other natural resources development.

The Service has a legitimate role that it must play, but it need not be an obstacle to economic and energy development. We are requesting funding for this legitimate role; however, we must keep our priorities and perspectives in balance. To accomplish that balance, I plan to effect major changes in the management of the Fish and Wildlife Service and to focus the Service's efforts on those major development projects with potentially major and severe environmental impacts.

Balanced energy development and multiple use of natural resources are high priority goals of the Administration and this Department. In meeting these goals, decisionmakers must consider the broad range of Departmental responsibilities thus ensuring that resultant decisions are defensible and represent the public interest. The Fish and Wildlife Service, in its supporting and advisory role to the Department and Administration, will be called upon to actively participate in an increasing number of priority energy developments. The timely input of fish and wildlife information and recommendations into energy development planning will allow for consideration of fish and wildlife needs among the broad range of Department responsibilities during the decisionmaking process. Thus, we will be able to get on with needed development of energy and other natural resources while also preserving and protecting that which needs to be preserved and protected.

SUBCOMMITTEE RECESS

Senator McCLURE. Thank you very much. The subcommittee is recessed.

[Whereupon, at 10:40 a.m., Tuesday, March 3, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1982

WEDNESDAY, MARCH 4, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 9:05 a.m., in room 1318, Everett McKinley Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

DEPARTMENT OF THE INTERIOR

OFFICE OF WATER RESEARCH AND TECHNOLOGY

STATEMENT OF GARY D. COBB, DIRECTOR

ACCOMPANIED BY:

MANUEL MORRIS, DEPUTY DIRECTOR
DORIS ULLMAN, SPECIAL ASSISTANT TO THE DIRECTOR
ROBERT B. BALDAUF, BUDGET OFFICER
WILL HAHN, ACTING ASSISTANT DIRECTOR
RAYMOND JENSEN, ASSISTANT DIRECTOR
WILLIAM D. BETTENBERG, DIRECTOR, OFFICE OF BUDGET, OFFICE OF THE SECRETARY

BUDGET REQUEST

Senator MCCLURE. The committee will come to order. This is the time scheduled to hear the fiscal year 1982 budget request for the Office of Water Research and Technology, the Holocaust Memorial Council, and the Advisory Council on Historic Preservation.

We will begin with the Office of Water Research and Technology, whose fiscal year 1982 request totals $32.028 million, an increase of $1.379 million over the fiscal year 1981 appropriations to date. The Office also has submitted a 1981 supplemental request of $22.8 million for construction of two saline water conversion demonstration plants.

We regret that this hearing, like all others, is scheduled prior to the administration's completing and submitting its fiscal year 1982 budget revisions; however, we hope that you will be able to share with us whatever information you may have so that we do not have to schedule another hearing devoted solely to those revisions.

Mr. Cobb, please introduce your associates and proceed to highlight your statement. Your full statement will of course be printed in full in the record.

Mr. COBB. Thank you, Mr. Chairman. Let me first congratulate you upon your assignment to this particular committee. I know you have a long interest in water, from past associations. And I know it's going to be a very interesting assignment for you.

Senator MCCLURE. If I would understand some of the rumors I hear, it's more interesting than we thought.

Mr. COBB. I'm sure it will be, Senator.

I am accompanied by the Deputy Director, Mr. Manuel Morris; my Budget Officer, Robert Baldauf; and the Departmental Budget Officer, William Bettenberg.

As you know and as you've noted in your statement, Mr. Chairman, President Reagan will be submitting his budgetary revisions for fiscal year 1982 to the Congress on March 10; however, we are able at this time to discuss an intention that has already been made known by Secretary Watt, to terminate the saline water research and development program.

Further, last Thursday Secretary Watt announced at a press conference that he proposed the creation of a new Office of Water Policy within the Department. As a result of these two announcements, it's clear that there are major revisions being considered at this time to be proposed in the President's revised budget request.

SUMMARY OF OWRT PROGRAMS

However, I do want, with your permission, Mr. Chairman, at this time, to briefly summarize our programs so that we may have that on the record, as you propose, when you consider the submission.

Senator MCCLURE. I think that's the only orderly way in which we can proceed, and the only way that we can judge the proposals that may be made with respect to revisions.

INCREASE IN DEMAND FOR WATER

Mr. COBB. Yes, sir.

Mr. Chairman, I would like to point out for the record that we are at a period in our country where we will be facing sharp increases in demand for water.

The projections that have been made in our program indicate that demand for water will nearly double within the next 20 years over present usage; much of this demand will have to be met through reuse, recycle, or through attention to new sources; and, of course, through improved management.

This will be a challenge for us in the years ahead, as it has been in the past, and is the basis for the type of work that we do. Our program provides for support in 54 water research institutes located in 50 States, 3 territories—Puerto Rico, the Virgin Islands, Guam—and the District of Columbia.

WATER RESOURCES R. & D. INSTITUTES

These institutes have received since 1974 an allotment of $110,000 each—last year it increased to $115,000—for research, technology transfer, identification of water problems and research priorities, and for general administration. I have attached to my statement a brief summary of

those programs. You can see from the summary that as a result of this basic allotment and the existence of the institutes, $40 million in water resources research activity is conducted across our country at these institutes, with most of the funding coming from sources other than the Office of Water Research and Technology.

MATCHING GRANTS

The program administered through the institutes further involves a matching grant program, matched one-for-one, which is a competitive program supporting research at any qualified academic institution within the States or territories addressing high-priority local and regional problems.

The research activity that the institutes have supported with their basic allotment and the matching grants has focused nearly equally on problems of water quality and water shortage, depending on the nature of the problems that exist in specific localities, and in the States. Additionally, our program involves a focused water research program, which is conducted at the national level out of our office, and is open to any competent research organization.

NATIONAL FOCUSED R. & D.

At this time we have focused efforts on water reuse and recycling, water conservation, water problems in urbanizing areas, and other special projects, which, in the present year and for fiscal year 1982 will include water for energy, ground water contamination, and increased utilization of brackish ground water.

The projects that are funded under this part of our program are selected in our office after extensive review. There is full funding provided for support of this research, and the intent is to have a managed research effort that is responsive to the highest priorities within each of these foci.

SALINE WATER R. & D.

In addition, our program has supported saline water conversion research and development, and we proposed in fiscal year 1982 in President Carter's budget recommendations for demonstration activity in saline water technology.

TECHNOLOGY TRANSFER

Finally, our program involves technology transfer, in two ways: We maintain a computerized data system that provides information abstracts on completed research as well as research in progress. Additionally, we support the preparation of various tools to facilitate technology transfer to users so that research results can come into use in water management in an effective way, and as soon as possible.

Mr. Chairman, that's a very brief summary of our program.

I'll be very pleased to try to answer any questions you may have.

[The statement follows:]

STATEMENT OF GARY D. COBB

My name is Gary Cobb. I am the Director of the Office of Water Research and Technology in the Department of the Interior. Mr. Chairman, I am pleased to meet those Members who are new to the Committee, and to have the opportunity to appear before you today. I look forward to working with you.

I am accompanied by the Deputy Director, Manuel Morris.

As you know, Mr. Chairman, the budget request which was submitted to Congress in January is being revised to recognize the economic recovery program initiated by President Reagan. My testimony today will, therefore, be descriptive of program purposes, objectives and current status, but will not include all elements of the recommendations for changes which are still being reviewed. Final details of the Administration's suggested reductions will be submitted on March 10, 1981.

The Secretary announced on February 19 the general outlines of the reductions which have been recommended by the Department of the Interior. Program decisions announced by the Secretary include the termination of the desalting research and development program conducted by OWRT. It is felt that sufficient basic research in desalting has been completed and that the desalting industry is prepared to continue R&D work to make the technical improvements in systems and equipment which are needed. OWRT's desalting R&D program will be phased out in 1982 and terminated in 1983.

I would like to briefly discuss our programs at this time.

Water Resources Research and Technology Institutes

OWRT cooperates with 50 States, Guam, Puerto Rico, the Virgin Islands, and the District of Columbia in support of water resources research and technology development Institutes at land-grant universities or colleges. The Institutes each will receive $115,000 from OWRT in FY 1981, with the host university providing one dollar for every two Federal dollars. Institutes provide early identification of emerging water problems at local and State levels, initiate research to solve problems, develop Statewide research programs in coordination with other academic institutions and State and regional water entities, encourage application of research results through technology transfer and information dissemination within the State, and provide training opportunities through research participation by engineering and science students.

The Institutes are required to develop five-year research agendas and provide the Secretary with States' perspectives on water problems and research priorities.

Federal dollars invested in this program have had a "multiplier effect," producing increased investment in research at the local level, and focusing university research and development on problems as they emerge. The allocation of funds and the sources of funds for Institute programs are illustrated in the chart attached to my testimony.

Matching Grants

OWRT provides additional research support through the Institutes in a dollar-for-dollar competitive program of matching grants. Research projects must be relevant to local, State and regional water problems, as identified by the Institutes, with priority guidance from OWRT. Frequently, matching grants continue promising research initiated under the water resources research and technology Institute program.

Water Research and Development

OWRT supports a national program of grants and contracts for R&D focused on water problems of national importance, as identified by the Secretary. Current focus is on water reuse and recycling, water problems of urbanizing areas, and water conservation. In addition, we are supporting innovative and high-priority research on brackish water utilization, water for energy, groundwater-surface water conjunctive use, groundwater contamination, and

other critical or developing water-related problems. The subactivity on water problems of urbanizing areas has been recommended for elimination in FY 1982. A recently completed assessment indicated a priority need for accurate microscale modeling of surface runoff and transport of dissolved and suspended materials. This modeling technique can be handled by other agencies, based on results of OWRT's assessment.

Other subactivities of this program will be continued, and new foci will be developed. Focus will be placed on brackish water utilization, including the development of salt tolerant crops for semiarid regions.

Technology Transfer

OWRT encourages practical application of research and development results through a national program of technology transfer and information dissemination to engineers, scientists, water managers and local, State and Federal officials. R&D results not made available to those who can use them represent a waste of government investment. The OWRT program identifies information ready for useful application, selects that which is applicable to priority water problems, designs appropriate information products, and expedites the dissemination of those products directly to those who will use them.

Water Resources Scientific Information Center

OWRT maintains the Water Resources Scientific Information Center, abstracting and processing data on water resources R&D through the National Technical Information Service. The two OWRT data bases are used by students, scientists, engineers and other professionals.

Reimbursable Programs

OWRT provides technical guidance and oversight for the United States/Israel Desalination Project, a joint program under the State Department AID Participating Agency Service Agreement.

OWRT also provides technical guidance and oversight for the desalination projects undertaken by the United States-Saudi Arabia Joint Commission on Economic Cooperation, through the Department of the Treasury.

Both of these programs are fully reimbursable.

Mr. Chairman, in addition to the programs which I have outlined in my testimony, OWRT assists the Secretary in the development of the national five-year water research priority agenda, as required in the Water Research and Development Act. The national agenda is scheduled for completion in FY 1981. Information provided by the Institutes is consolidated with information from intradepartmental and interagency committees, State and regional water officials and water research organizations. Compilation of this information assists in the selection of research to be performed, and assists in the coordination of Federal water research programs to prevent duplication of effort and to stimulate cooperative projects.

OWRT programs involve multidisciplinary work directed at solutions to problems across a broad spectrum. OWRT is, therefore, free to focus on problems not being addressed by other Federal water R&D programs. Guidance provided through OWRT can direct researchers in universities, industry, and other government agencies toward priority needs not being adequately met.

Mr. Chairman, that concludes my testimony today. I will be happy to answer your questions.

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ALL INSTITUTES

ALLOCATION AND SOURCES OF INSTITUTE FUNDS 1980

ACTIVITY	OWRT FUNDS ALLOTMENT	OWRT FUNDS OTHER	NON-OWRT FUNDS FEDERAL	NON-OWRT FUNDS STATE	NON-OWRT FUNDS PRIVATE	TOTAL
Research and Development Program						
1. Allotment Projects	3,697,647	NA	170,043	3,094,870	29,569	6,992,129
2. OWRT Matching Grant Projects	NA	4,585,559	NA	4,363,864	520,673	9,470,096
3. OWRT Focused Research Projects	NA	946,418	--	896,092	8,738	1,851,248
4. Non-OWRT Projects	NA	NA	9,122,263	4,834,519	989,454	15,046,236
Subtotal	3,697,647	5,531,977	9,292,306	13,289,345	1,548,434	33,359,709
Five-Year Water Research Priorities Development	243,543	9,350	1,000	283,535	3,000	840,428
State Research Program Development and Coordination	609,892	--	1,000	1,293,408	14,000	1,918,298
Technology Transfer and Information Dissemination	486,160	595,987	71,448	1,107,119	44,325	2,305,039
Administration	703,359	NA	2,400	1,129,335	70,000	1,905,094
Total	5,740,601	6,137,314	9,368,154	17,102,740	1,679,759	40,028,568

This table depicts the allocation and sources of funds within the State Institute programs based on data furnished by the Institutes. It aggregates the amounts shown in the tables for the individual Institutes, in Section 1-C of the Appendix. Columns show funding by sources; activities are those mandated by P. L. 95-467. Variation in individual University accounting practice has required some adjustments to assure consistency in reporting. Data may not be consistent with audited data except for gross totals. The column, OWRT Funds "Other," shows funds awarded to Institutes by OWRT under its Matching Grant, Focused Research, and Technology Transfer programs. Amounts shown in the column, Non-OWRT "State" include budgeted support, other program support, and in-kind contributions. The "Private" column includes funds from private sources and institutions, regional councils, and municipalities.

Clerical expenses, payroll, administration and other overhead are included under "Administration." Professional expenses are distributed among appropriate activity categories.

BUDGET CUTS

Senator MCCLURE. Thank you, Mr. Cobb. As you surely are aware, this committee has pledged to do its part in turning around this country's severe economic problems. We recognize in a specific programmatic way it certainly will be reflected in the demands that are made upon every one of us to see where we can make savings; to determine what the reductions will do, if reductions are made. In that light, I will ask each of the agencies testifying before us to provide two things for the record—and I don't know that you can make these statements this morning, certainly, we want to give you the opportunity to reply in a very thoughtful manner.

First, what would be your agency's request if we would make a 10-percent across-the-board cut? Where would you absorb the cuts in your programs?

Second, should this committee desire or feel compelled to make deeper cuts, your estimate of the costs to cash out all of your programs—could you provide those for the record?

Mr. COBB. Yes, Mr. Chairman. I will have that prepared, and provide it for the record.

[The information follows:]

FY 1982 OWRT Budget Alternatives ($000)

ACTIVITY/SUBACTIVITY	10% Cut			Cash-Out Program	
	January Budget	Reduction	Revised Budget	Reduction	Revised Budget
I. Water Resources R&D.....	15,838	1,145	14,693	14,338	2,700
A. State Water R&D Institutes.....	6,210	--	6,210	5,910	2,000
B. Matching Grants.....	5,480	--	5,480	5,230	--
C. Research and Development					
1. Reuse.....	1,953	--	1,953	1,303	400
2. Conservation.....	850	650	200	750	100
3. Urbanizing Areas.....	650	450	200	550	100
4. Special Research Projects....	695	45	650	595	100
II. Saline Water R&D	10,950	1,348	9,602	7,755	3,195
A. Research					
1. Membrane.....	1,860	190	1,670	1,460	250
2. Thermal.....	510	50	460	360	100
3. New Concepts.....	800	200	600	750	--
B. Development					
1. Membrane.....	4,405	540	3,865	2,760	1,645
2. Thermal.....	1,625	213	1,412	975	900
3. Reuse.....	1,550	155	1,395	1,250	300
C. Demonstrations.....	200	--	200	200	--
III. Tech. Transfer & Info. Dissemination.	1,650	350	1,300	1,250	300
A. Technology Transfer.....	750	50	700	550	--
B. Water Res. Scientific Info. Center	900	300	600	700	300
IV. General Program Support.....	3,590	360	3,230	1,090	2,500
V. Reimbursable Program.....	(825)	(--)	(825)	(--)	(825)
TOTAL	32,028	3,203	28,825	24,433	8,695

NON-FEDERAL SHARE OF INSTITUTE FUNDING

Senator McCLURE. Must the one-third non-Federal share for the State Water Resources and Technology Institute be in dollars, or can it be in services or materials?

Mr. COBB. I can answer that. It can be in cash and or in kind, but it must be resources that are auditable, and that are within the OMB guidelines to universities.

INSTITUTES 5-YEAR WATER RESEARCH PRIORITIES

Senator McCLURE. Did each of the 54 institutes complete and submit their 5-year research plans in 1980?

Mr. COBB. No, sir. We still have not received plans from a small number. I'm informed by staff that we have not received the final 5-year program yet from 10 institutes.

Senator McCLURE. I wonder if you could give us a list of those who have completed and those who have not.

Mr. COBB. Yes, sir, Mr. Chairman.

[The information follows:]

STATE 5-YEAR RESEARCH PLANS

Institute	Completed	Not completed	Institute	Completed	Not completed
Alabama	X		Nebraska	X	
Alaska		X	Nevada		X
Arizona	X		New Hampshire		X
Arkansas	X		New Jersey	X	
California	X		New Mexico		X
Colorado	X		New York	X	
Connecticut	X		North Carolina	X	
Delaware	X		North Dakota	X	
Dist. of Columbia	(1)		Ohio	X	
Florida	X		Oklahoma		X
Georgia	X		Oregon	X	
Guam	X		Pennsylvania	X	
Hawaii	X		Puerto Rico	X	
Idaho	X		Rhode Island	X	
Illinois	X		South Carolina	X	
Indiana		X	South Dakota	X	
Iowa		X	Tennessee	X	
Kansas	X		Texas	X	
Kentucky	X		Utah	X	
Louisiana	X		Vermont	X	
Maine	X		Virginia	(1)	
Maryland	(1)		Virgin Islands		X
Massachusetts	X		Washington	X	
Michigan	X		West Virginia		X
Minnesota	X		Wisconsin	X	
Mississippi	X		Wyoming		X
Missouri	X				
Montana		X	Total	43	11

Date as of April 7, 1981.

[1] State 5-year research plans submitted as drafts.

REGIONAL 5-YEAR RESEARCH PLANS

Region	Completed	Not completed
New England	X	
Mid Altantic		X
South Altantic Gulf	X	
Ohio-Great Lakes		X
Missouri Basin	X	
Southern Plains		X
Colorado-Great Basin	X	
Pacifc Northwest	X	
Total	5	3

COMPLETION OF 5-YEAR PLANS

Senator McCLURE. Were the ones that were completed and sent inadequate to your needs in development of the national 5-year plan?

Mr. COBB. The quality of the submissions varied, of course, but all of the 5-year plans contained the same kind of basic information but applicable to their States. I would answer further, Mr. Chairman, that the information provides real insight into water problems and the research needs as viewed from the State perspectives.

Senator McCLURE. With respect to those who have not submitted, do you have any idea when they are going to submit? Are they on a submission schedule that you think will be met?

Mr. COBB. Yes, Mr. Chairman, they are, and their reports will be submitted shortly.

Senator McCLURE. Will you be able to develop your national 5-year plan and submit that plan to us and to the Secretary this year?

Mr. COBB. Yes, Mr. Chairman, our present schedule complies with that.

Senator McCLURE. And when do you expect that that might be?

Mr. COBB. A special advisory committee of the National Academy of Science is providing comments to us on the 5-year plans that have been prepared by the States, as well as the 5-year programs that have been developed by the Federal agencies. Based on their comments, and the information in the 5-year plans of the States, together with the 5-year plans of the Federal agencies, an integrated national program will be developed, which is scheduled to be submitted to the Congress this summer.

Senator McCLURE. This summer?

Mr. COBB. Yes, sir.

Senator McCLURE. You don't have an exact date, but you have a time.

I would judge that if there are 10 of them that have not come in yet, I would say that would be late summer, rather than early.

Mr. COBB. I would say by July 1, Mr. Chairman.

Senator McCLURE. July 1. What would you expect the 5-year plans will tell us?

EMERGING AND CRITICAL WATER PROBLEMS

Mr. COBB. The 5-year plans will tell us what the most crucial emerging water problems are in our country, and should also indicate research needs and research priorities that should be applied to address those problems.

Senator MCCLURE. As you know from our prior conversations, I am very much concerned with the responsibilities of this subcommittee, and also the portions of responsibility which the Committee on Energy and Natural Resources carries with respect to all natural resources for our country—no one of which can possibly be more basic than that of water.

I hope that we will be able to take a look at national water needs projected in the future. We seem to run in cycles, as does the weather. Whenever there's a drought, we have a great interest in water. When it rains, we forget. Right now, the Potomac looks much better than it did a month ago. The result is that we think the Potomac is ever normal. I use that term because I remember that being applied to agriculture. It is not ever normal, except in its fluctuations.

It was not many years ago, in terms of long-term weather cycles, that there was a lot of speculation that the Great Lakes were drying up and the Chicago River would reverse itself. The water table was dropping so drastically that we would have to look at curtailment or importation of water to Chicago. I don't think very many people in the country remember that, yet it was not that many years ago. It's rained since then.

It was not long ago, but long after that, as a matter of fact, we were looking at a water table in the New York City/Philadelphia/Washington, D.C. area, because the east coast had a long period of abnormally dry years. They were talking about importing water to New York City from across the Appalachians. Then it rained, and people forgot.

I think long-term focus on water resources must be fundamental to our country. We think that we have chaos when we run out of other things. Think what that chaos would be if we run out of a sufficient quantity of water.

In recent years, we've concentrated on water quality, which I don't object to. What we've neglected is the question of sufficient supplies of water. Through the development of the 5-year plan, being centered, as the initial development is, in the development of plans by each of the institutes, isn't it a fact that many of our States' goals are likely also, national goals? Is it possible to more closely tie the institute funds to specific national goals?

INTEGRATED NATIONAL WATER PROGRAM

Mr. COBB. I agree with your point, Mr. Chairman. Certainly the problems that are of the highest priority in the States may very well also be the problems of very high priority to our Nation. Through the development of an integrated program that considers these problems and tries to establish priorities nationwide, we should have more effective utilization of research dollars for water resources.

Yet I would still argue that there needs to be some degree of discretion at the State level, so that priorities that are viewed as being im-

portant from that perspective can be addressed as well. To focus our efforts totally on national priorities, however defined, that is, problems that are pervasive across our country, that geographically become of national significance, or problems that are so significant to our national defense—perhaps harbors—that they take on a national priority, whatever the basis for the criteria that is used to define the national priorities, I still believe there needs to be flexibility in research, so that other needs can also be addressed that are viewed as being important at the State and local level.

DUPLICATION OF RESEARCH

Senator McCLURE. In your opinion, how much of the research conducted by the institutes is being duplicated, first at other institutes, second at other Federal agencies, such as NSF, SCS, or EPA, and third, by private agencies, through contracts with such Federal agencies?

Mr. COBB. In my opinion, very little, or none.

Senator McCLURE. Almost no overlap or duplication.

Mr. COBB. No overlap, for several reasons. No. 1, we have through our computerized data base abstracts of ongoing research. It's a requirement that before a research project is initiated there be a search to determine if other work is underway.

No. 2, within the professional community, there's peer review among professionals, and scientists, through a number of fora, national conferences' and so on.

Third, we have technical monitors within our staff, who review the research activity that is underway, insuring that if there's any research in California that's underway that would be duplicated in Delaware, that it be picked up.

Finally, the institute directors themselves meet periodically and discuss their programs. So, I feel there's very little or no duplication.

Now, there may be a project or two, but I would say from a policy point of view there is none.

Senator McCLURE. "A policy point of view" says that's what your policy is, but the question is whether or not it's actually changed. I have good policies. On January 1, I listed a whole list of new policies, directives to myself. They're called "New Year's resolutions."

Mr. COBB. I understand your point, Mr. Chairman, but let me just say I believe there is none.

Senator McCLURE. Do you have the authority to prevent the undertaking of a given project if you perceive duplication?

Mr. COBB. Yes, and have done so, Mr. Chairman.

Senator McCLURE. On page 21 of your justification, you cite a demonstration project in Iowa involving nonpoint source pollution.

The description of that project is extremely similar to those being conducted under USDA's rural clean water program. You just indicated that there is no overlap. It would appear to me that there seems to be some overlap.

Mr. COBB. May I propose, Mr. Chairman, that I respond to this point for the record, after we have had a chance to review the other programs.

Senator McCLURE. All right. If you would do so.
[The information follows:]

DUPLICATION OF RESEARCH IN IOWA

The Iowa Institute demonstration program on nonpoint source pollution is not a duplication of research but rather a step in a sequential process that followed from research whose initial support came from OWRT in the 1960's and 1970's. From a total of $105,000 from OWRT, there developed the recognition of the larger problems and the capability to undertake an intensified water quality research program under Environmental Protection Agency's sponsorship. The program has moved to the demonstration phase with concurrent emphasis being given to quantitative evaluations of various measures for controlling water pollution from agricultural runoff. This phase is also supported by the Federal Agricultural Stabilization and Conservation Service, the Iowa Department of Soil Conservation and Environmental Quality, and the Iowa State University. The institute's role, through OWRT support, has been in providing leadership in research initiation; now it is one of coordination of the activities that are supported by other agencies. The purpose for citing this example in the justifications was to show the importance of the State Water Resources Research Institutes in providing initial work, leadership, and coordination in water resources research. The problem solving comes about because there is an institute program.

ADVISORY COMMITTEES

Senator McCLURE. I know the difficulty of keeping track of everything that happens, but I point this out as an example. I think we need to sharpen it sometimes. Perhaps I mistakenly meant "evaluation."

Can you describe for the committee how the institute advisory committees are made up and what their role is relative to the institutes' work. On that latter point in particular, we are interested in the role of the advisory committee in the distribution of funds which come to the institute from any of the various sources, not just from the grants.

Mr. COBB. Mr. Chairman, most institutes have two advisory committees: the technical advisory committee made up of water resources experts in the university community, and a policy advisory committee intended to have representation of all the major water interests within the State.

In the appendix to our justification, we have summarized the programs of each institute, and have listed the members of the advisory committees. The advisory committees meet in all cases annually, and sometimes more frequently, with the institute director as he formulates his program priorities for that year and identifies specific research activity that will be funded in the coming year through the allotment program.

In addition, the advisory committee reviews matching grant proposals, and comments on matching grant proposals that are submitted to the Office of Water Research and Technology for consideration for funding, so that an institute director, when he submits matching grant proposals to us, knows the views of his advisory committee—or at least the key members of his advisory committee with respect to the matching grant proposals.

I am not saying that every project goes to every member of the advisory committee, but they are reviewed by the advisory committee as a result of this process. The advisory committees, I believe, have a great deal of influence on the funding decisions that are made at the institutes.

Once a matching grant proposal is submitted to our office, we then provide for technical reviews within our office, as well as review by other Federal agencies that have a particular interest in that area of water resources research. Based on all of these reviews, we make our final decisions with respect to the matching grant proposals.

ADVISORY COMMITTEE COMPOSITION

Senator McCLURE. In reviewing each of the 54 institutes' statements in appendix 1, it seems the overwhelming majority of advisory committee members are either government employees—Federal, State, and local—or academicians. It's been suggested by some that an attempt should be made to place more private citizens, nonpublic employees, such as farmers or timber operators, or irrigation companies—a ditch rider, perhaps, an irrigation ditch manager—and others, on these committees.

Would you care to comment?

Mr. COBB. I agree with your observation. For the most part, the advisory committees are made up of public or quasi-public officials. There are instances where the advisory committees do have the participation of irrigation district managers, or persons in that capacity. But that's not often.

I think that it would be useful to add to the advisory committee participation from non-Federal sources. Personally, I don't think it ought to be out of balance with respect to the other State and local governmental agencies, because after all, they too are intending to be very responsive to the water managers in the State. But at the same time, it might add to the value of the work of the advisory committee.

Senator McCLURE. Have any such suggestions been made to the institutes?

Mr. COBB. No, Mr. Chairman.

Senator McCLURE. You, I assume, don't exercise the authority to dictate the composition of the advisory committees?

Mr. COBB. We do not have the authority to do that. We certainly can provide counsel to institute directors in this regard.

MATCHING GRANT AWARDS

Senator McCLURE. Section 104(a) of the Water Research and Development Act of 1978 implies that matching grants for water and related land resources research projects can be made only to the institutes. Is this, in fact, the way the OWRT interprets the act?

Mr. COBB. Mr. Chairman, the matching grant proposals can be made through the institutes to any qualified researcher at an academic institution within the States. So we have matching grant proposals submitted through the institutes from many universities within each of the States; frequently, these proposals come from several universities within each of the States.

Senator McCLURE. When you say "through the institutes," does that imply that the institute becomes only the conduit, that you make the decisions?

Mr. COBB. Yes; on the matching grant program, that is the case. Final decisions are made by us, with the advice of the institute director.

Senator McCLURE. But it goes to the institute or to the recipient?

Mr. COBB. Once the decision is made to fund the matching grant proposal, then the funds are passed back through the institute to the researcher. But no indirect cost or overhead is allowed under our program.

FUNDING FOR INSTITUTES AND NONINSTITUTES

Senator McCLURE. Could you provide for the record the breakdown of matching grants going to fund projects at the institutes, and those going to other noninstitute projects?

Mr. COBB. May I clarify that a little, Mr. Chairman? Do you mean to fund work at the host university, as opposed to other universities?

Very little work, Mr. Chairman, is actually conducted within the institutes.

Senator McCLURE. Most of the grants, then, flow to someone outside the institutes?

Mr. COBB. Yes; to someone in, say, the civil engineering department at the university.

Senator McCLURE. You might provide three categories, if you would: the work that's done by matching grants at the institutes; that which is done by matching grants at the same institution, but not at the institute, or within the institute; and third, that flow to outside groups, away from that academic institution.

Mr. COBB. To other universities? Yes, Mr. Chairman.

Senator McCLURE. And, if you could, give a general description of those matching grant projects and the amount that's expended on each. If you would provide that for the record.

Mr. COBB. Yes, Mr. Chairman.

[The information follows:]

MATCHING GRANT AWARDS

Matching grants are awarded to three separate groups as follows: work done by the institute directly, 8 percent; work done by the institute's host university, exclusive of the above, 71 percent; and work done by other institutions, 21 percent.

The matching grant projects are awarded in four main categories, as follows:

Water quality deterioration	$8,635,000
Water shortages	4,158,000
Uneven stream flow and flooding	1,699,000
Need for improved techniques of planning and management and their applications	2,523,000
Total	17,015,000

The above figures reflect matching grant projects which have not been completed as of December 31, 1980. The principal role of the institute is to establish and operate linkages between the water management community and investigators in universities.

MATCHING GRANT FUNDING LIMITATION

Senator McCLURE. Is there a statutory or regulatory limit placed on the amount of each matching grant?

Mr. COBB. On the amount of each matching grant? No, Mr. Chairman.

Senator McCLURE. Does OWRT impose its own? Do you have in your own procedures or in your own mind a limit in order to more broadly distribute the available funds?

Mr. COBB. No, Mr. Chairman. We do indicate in our guidelines the amount of funds available in each of our programs. And we indicate a range of funding levels for a typical project in the past, but there's no absolute ceiling.

MATCHING GRANT DUPLICATION

Senator MCCLURE. It appears that a considerable portion of the funds provided as matching grants are expended on such things as irrigation, water conservation, effects of erosion and sedimentation, mitigating drought and flood damage, and flood plain zoning.

Why shouldn't projects such as these be carried out under the auspices of other agencies, such as the Soil Conservation Service, others that have direct authority, responsibility, and are conducting similar work?

Mr. COBB. The projects that we carry out are aimed at improved water management. We do not have in our program a specific mission, per se. The water research programs that are conducted by the other Federal agencies are aimed very directly at their specific mission.

Our program is aimed at water management and may involve work in an aspect of water management that is the jurisdiction of a specific Federal agency. But the intent and the objectives of the work that's undertaken under our program is a broader view of water management, and is not, for that reason, directly overlapping with the specific, very pointed and focused mission work of the other Federal agencies.

Water management does cut across all of the missions of the Federal water agencies.

Senator MCCLURE. It appears to me that you are really in the same area as so many of these others are. While your specific research project may not be precisely duplicated in others, you're really involved in some of the matching grant programs directly in the same areas where the other Federal agencies are involved.

Mr. COBB. The objectives of our research take on a broader view of specific elements of water management.

The point I am trying to get across is that we do not consciously duplicate the mission work of the other Federal agencies.

Certainly that would not be a very high-priority use of our very limited funds. What we try to do is to fund the kind of work that will improve water management and will bridge over the various missions and make a whole out of parts.

GROSS WATER USE IN THE UNITED STATES

Senator MCCLURE. OWRT has calculated that gross water use in the United States will increase from about 500 billion gallons per day in 1975 to approximately 1,200 billion gallons per day by the year 2000.

How did you arrive at that figure?

Mr. COBB. This figure was based on the Water Resources Council's second national assessment, and a study that was conducted for us by Culp, Wesner & Culp, a consultant firm, which utilized confidential industry data, made available for the study by the Department of Commerce.

Senator McCLURE. Is the 1,200 billion gallon per day figure based on a percentage of current use or were unknown factors, such as possible synfuels and possible slurry pipeline development, included in the calculation?

Mr. COBB. Mr. Chairman, it was based on the anticipated use of water to be expected and did not envision synfuels, and did not envision the kind of energy development that we now see.

WATER REUSE

Senator McCLURE. Under water reuse, you have requested an increase of some $403,000 over the $1.55 million level funded in fiscal year 1981. You indicated that this additional funding would be used to begin new research in overcoming water supply barriers to energy development.

Is the $403,000 really adequate to confront such an overwhelming task? Or do you anticipate that some of the $1.55 million base will be used for the same purposes?

Mr. COBB. I think the base, as well, would be used for the same purpose; however, our basic water reuse program is focused on the six high water-using industries in our country. So while we have indicated that the increase would be applied to energy, there are water reuse projects within our base program that address the energy topic.

Senator McCLURE. Do you have any idea how much of that base might be consumed in addition to that increase?

Mr. COBB. I'm informed it is 20 percent, Mr. Chairman.

Senator McCLURE. Twenty percent?

Mr. COBB. Yes, Mr. Chairman.

Senator McCLURE. Isn't the Department of Energy also spending money to quote "overcome water supply barriers to energy development"?

Mr. COBB. I'm not sure. I can't answer that question from my personal knowledge at the present time.

I know that in developing our program objectives, we have coordinated our program with the other Federal agencies.

Senator McCLURE. Past Secretaries of Energy have indicated that they were involved in that. I wonder if they were more involved than just telling us that they were?

Mr. COBB. May we respond to that point for the record? We'd like to examine that.

Senator McCLURE. Sure.

[The information follows:]

Water Reuse Energy Related Projects: Number and Coordination

The water research goals of each agency of government have recently been identified by the agencies themselves for compilation in the national five-year research priority agenda. The summary of DoE water-related research goals states: "The Department of Energy is charged with broad mission responsibilities for establishing energy policy for the nation. ...In meeting the above responsibilities, the Department of Energy conducts a varied program of water-related research. This research is conducted primarily to support programmatic missions and the establishment of individual demonstration or commercial-scale energy facilities; the Department is not, in general, engaged in primary activities related to major water resource management or planning or in the construction of water resource supply or water quality protection facilities (except as these may be required for specific energy facilities in which the Department participates)." A review of specific programs and projects listed by DoE for inclusion in the five-year plan reveals no work which is directed at water reuse/recycling in the period FY 1981 through FY 1987.

Approximately 30 percent of the OWRT FY 1982 water reuse research effort was planned for energy-related reuse/recycling projects. Past projections have indicated that as much as 70 percent of the total water to be used in the United States in the next 20 years will come from previously used water. These projections do not include water requirements for new energy development. Individual gasification, liquefaction and oil shale plants could each require billions of gallons of water per year. Research is needed to determine the feasibility and to develop the technology for recycling wastewaters within energy development facilities. Research and technology development are also necessary for the reuse of wastewaters from other sources to avoid future stress on existing water supplies in energy development regions.

OWRT has recently completed a study which pioneers the way for treatment and reuse of gasification wastewaters. New projects would build on the results of research to develop effective technology in this field. Additional projects would be for reuse and recycle in liquefaction, coal slurry transport, steam electric power, and oil shale development processes.

The specific focus of OWRT energy development projects, under the water reuse program, is on the recovery and reuse of wastewaters from the energy facilities and/or external sources. There is no similar Department of Energy effort. Scattered DoE efforts address environmental impacts of discharges and related aspects rather than recovery and reuse of the wastewaters. The OWRT program would be coordinated through the Water Research Institute network in each State to ensure that projects reflect the water problems faced by the affected States and regions. Projects will be coordinated and any potential for duplication would be avoided by the normal procedures previously established by OWRT. Copies of relevant proposals are sent to appropriate Federal agencies, including DoE, to avoid duplication and obtain comments on technology adequacy.

These agencies are then notified as to the awards and are given the opportunity to monitor progress. A current joint OWRT/DoE project reflects OWRT concern for the recovery and reuse of the wastewater while DoE's emphasis is on the energy recovery from the heated stream.

Studies on availability of water for expansion of the national energy base pointed out that major new energy uses of water would create significant institutional and economic problems. These new uses would impact water quality in the involved river basins, might require interbasin and other water transfer schemes, and could cause significant local and regional social dislocations.

Competition for water between the energy industry and other users, notably agriculture, is to be expected. Opportunities exist for conjunctive use of surface and groundwater in the midwest and west where the major new energy resources are located. There are unique concerns with regard to energy development and water management at the local level. For example, the strip mining of peat deposits in Minnesota, Wisconsin, and Michigan will predictably have extensive hydrological consequences, yet little is known of peat bog hydrology.

OWRT, in association with the State water resources research Institutes, provides the vehicle for coordinating and conducting the necessary research leading to the solution of problems cited above.

ENERGY DEVELOPMENT PRIORITY LIST

Senator McCLURE. On page 34 of the justification, you cite a number of anticipated projects related to energy development as outlined in the last question. Are these projects originated and being promoted by OWRT, or were they submitted by scientists in the field?

Do you maintain a priority list of these and other projects?

Mr. COBB. Mr. Chairman, this is under our water reuse section, so these projects would have been submitted to us by researchers responding to our guidelines. And final decisions on their funding would have been made by our office, Mr. Chairman.

Senator McCLURE. Do you maintain a priority list of projects such as those outlined here on page 34 of the justification?

Mr. COBB. We establish priorities in our guidelines. But I would not characterize those priorities as being at the project level. More at the program level.

Senator McCLURE. You don't identify them as project Nos. 1, 2, 3, or 4?

Mr. COBB. No, sir.

Senator McCLURE. In a particular list of identified projects, you identify a priority by category?

Mr. COBB. Yes, we do, Mr. Chairman. Our priorities for the water reuse program now go to the category of waste water sources. We're looking at the high water-using industries and particularly where there is a high potential for water reuse. We're concerned with reuse applications. We're concerned with evaluation of the reuse potential, the treatment processing systems, municipal and industrial use applications, and planning and management aspects of water management.

Senator McCLURE. Those are very general. Do you have anything that is more specific than that in terms of your priority for the kinds or types of projects?

Mr. COBB. Mr. Chairman, may I submit for the record, our guidelines for the last year, which will show you the level of detail that we have.

Senator McCLURE. Do the guidelines indicate priorities?

Mr. COBB. Yes, sir, Mr. Chairman.

Senator McCLURE. If you would do that, please.

[The information follows:]

WATER REUSE PRIORITIES AND GUIDELINES FOR FISCAL YEAR 1981

The fiscal year 1981 water reuse priorities and guidlelines are formulated to focus research direction without inhibiting innovative research. The priorities also indicate areas that would not be supported because of the potential for duplication of research in other agencies. Details of these priorities follow:

OWRT Priorities for Fiscal Year 1981 Support
WATER REUSE RESEARCH AND DEVELOPMENT - (WR 81)

The OWRT Water Reuse Research and Development Program is oriented toward supplementing existing water supply sources and conserving limited water resources in order to extend the available water supply for the nation. Current projections indicate that more than 70 percent of the gross national water demand in the year 2000 may be supplied by reuse of renovated wastewaters.

The program is focusing upon planned beneficial reuse of wastewaters from the following sources:

Municipal (Domestic) Wastewaters

Industrial Process Wastewaters

Cooling Water

Agricultural Wastewaters (Irrigation return flows)

Priority will be given to support of research and development for the following major reuse applications: groundwater recharge; industrial process water; industrial cooling water; aquaculture, irrigation; domestic reuse; and energy conversion.

Industrial reuse research and development efforts should be focused upon high water-using industries. These industries with their standard industrial classification (SIC) include: Paper and Allied Products (SIC 26); Chemical and Allied Products (SIC 28); Primary Metal Industry (SIC 33); Petroleum and Coal Products (SIC 29); Food and Kindred Products (SIC 20); Transportation Equipment (SIC 37); and Textile Mill Products (SIC 22). Proposals for other industries will be considered; however, the potential for water reuse in these other industries should be significant. Proposals are also sought for methods of increasing the number of cycles in the reuse of cooling water from steam electric power plants.

Municipal reuse research and development efforts may be focused on domestic, industrial or agricultural reuse applications. Research involving health impacts of direct potable reuse, including research on humans and animals, epidemiological studies and the identification of mutagenic, carcinogenic or other disease potential, will not be supported under this program.

Proposals dealing with land application of municipal wastewater will be considered only if the proposed project does not substantially duplicate the large number of research and development projects already done in this field. Proposals dealing primarily with pollution control with minor emphasis on water reuse will also not be considered for support.

Research and development funding priorities for FY 1981 will be given to the following principal categories:

I. EVALUATION OF REUSE NEEDS AND POTENTIALS

Studies are needed to assess the magnitude of wastewater reuse that may be required in the future to augment existing water sources. Studies on reuse potential are sought specifically for the following high water-using major industries.

- Paper and Allied Products (SIC 26). Proposals may include evaluation of the entire industry or may address only major individual sub-industries including: Papermill Products (SIC 2621); Paperboard Mill (SIC 2631); or Pulpmills (SIC 2611).

- Petroleum Refining (SIC 2911).

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- Primary Nonferrous Metals (SIC 331).

- Steam Electric Power Industry.

Studies should include major portions of the two digit SIC categories noted above and should include detailed reuse for both process and cooling water. Studies should include evaluations of current reuse and projections to the year 2000. Studies should include geographical dispersion of the industry indicating portions of the industry in both water-short and water-surplus areas; water quality and quantity requirements for reuse; treatment requirements for reuse beyond those required for discharge; applications for recycle wastewaters; cost; energy requirements; and other considerations necessary to determine recycle potential within the industry. Results of the study should provide answers to existing problems, indicate research and development needed to overcome reuse barriers in these industries. Separate proposals are sought for each major industry or sub-industry.

II. TREATMENT PROCESSES AND SYSTEMS

Research and development should be directed toward improvement, development and application of technology for treatment and reuse of wastewater. Use or adaptation of saline water conversion processes is encouraged; however, these efforts should be directed toward wastewaters and not toward conversion of brackish water or seawater. The R&D may include laboratory and field evaluation of existing as well as new processes to identify reuse capabilities and to initiate process and system improvements. New processes may be investigated to determine effectiveness in the removal of pathogens and organic and inorganic compounds, including such dissolved minerals as boron, nitrate, phosphate, trace metals, and other contaminants that may adversely affect municipal and agricultural water reuse applications. Similar investigations may be made for industrial wastewater constituents that must be removed prior to reuse of waste streams from major water using industries. Treatment process research may include potential for byproduct recovery and energy recovery if consideration of these will make reuse economically feasible However, primary emphasis should be on recovery and reuse of the wastewater streams. Highest priority for funding of treatment process research and development will be given to the processes described below for wastewater reuse or recycle applications.

A. Membrane Processes.

Investigations are needed to adapt existing membranes including reverse osmosis, electrodialysis, and ultrafiltration, or to develop new membranes capable of effectively and economically renovating wastewater for reuse. Membrane processes should be investigated as replacements for existing conventional or advanced reuse treatment processes or as supplemental processes to remove trace or dissolved contaminants. Investigation should focus on membranes to renovate wastewaters at high flux and without undue fouling compaction, and susceptibility to chemical and biological attack. Research is sought to develop membranes or families of membranes capable of removing key contaminants that may hinder reuse of specific wastewater streams. Research is also being sought for new or improved pretreatment processes or systems to be used prior to membrane processes in reuse systems.

B. Adsorption Processes.

Research and development are needed to adapt adsorption processes, including ion exchange and polymer adsorption, for wastewater reuse through development of less expensive regeneration techniques, lower energy consumption, improved selectivity, resistance to fouling, and more satisfactory methods of wastestream disposal. Research and development proposals may be for individual adsorption processes, such as synthetic polymer adsorption and ion exchange or adsorption

processes, coupled to other treatment processes such as in biologically extended activated carbon systems.

C. Thermal Processes.

Research and development are needed for application of thermal processes, including crystallization and evaporation, to wastewaters having significant potential for reuse, Priority will be given to reuse applications where the attributes of crystallization or evaporation have advantage for wastewater reuse and byproduct recovery. Research is required to reduce energy consumption, fouling and scaling, to simplify existing systems and to improve heat exchange efficiency.

D. Oxidation Processes.

Research is needed to develop oxidation processes, including ozonation, capable of removing refractory organics and destroying biological organisms in wastewater. These processes should be considered primarily as complementary to those listed above in treatment trains for reuse applications. Proposed efforts in oxidation as a separate process should be innovative, and not be in research programs of other Federal agencies.

E. New Processes and Basic Research.

Research is needed to develop treatment processes not now recognized for renovating wastewaters in an efficient, cost effective, and environmentally safe manner. Also needed are new pretreatment processes for use with adsorption or thermal processes. Research is being sought to advance the concept of aquaculture for treatment and reuse of wastewater streams. Aquaculture processes may be considered as total treatment systems or as components of systems using other treatment processes.

III. RESEARCH AND DEVELOPMENT SUPPORT OF SELECTED MUNICIPAL, INDUSTRIAL, AND AGRICULTURAL REUSE APPLICATIONS

Research and development for new processes and systems proposed for municipalities and industries for actual reuse applications will be supported to determine effectiveness of treatment systems and fate of contaminants. Systems to be supported will include municipal, industrial or agricultural pilot systems prior to full-scale reuse applications. Processes requiring additional research should also be identified at these facilities. Priority will be given to projects with highest potential for augmenting existing water supplies and to municipalities and industries having comprehensive research and development plans that lead to significant reuse applications. Industrial applications may include recycle within the industry or direct reuse in another application Priority will be given to industrial reuse projects for the high water-using industries listed at the beginning of these priorities and for industries facing near term water shortages. Priority also will be given to municipal reuse applications for groundwater recharge, irrigation and industrial process or cooling water.

IV. PLANNING AND MANAGEMENT ASPECTS OF WATER REUSE

Reuse may be accomplished by displacing some current water uses with previously used water. The displaced water would then be available for uses requiring higher quality water than that of the previously used water. Ownership of the right to the use of previously used water must be established. Legal aspects of water reuse will vary in riparian as well as appropriation states. Legal, institutional, social and economic research for water reuse is sought for areas where water supplies are currently adequate as well as for arid areas. Research should seek solutions which will enable augmenting present and future supplies through water reuse.

Topics requiring research include:

A. Determination of existing and potential legal, institutional and social barriers to water reuse and solutions to identified barriers, both before and after implementation of reuse systems.

B. Methodologies for evaluation of reuse/recycle options in river basin planning.

C. Economics of using renovated wastewaters, including user damages, reuse costs as opposed to alternative supply sources, and determination of other benefits such as elimination of wastewater disposal problems.

D. Definition of reuse system possibilities, such as grouping and connection of industries forming closed or nearly closed systems for use of water, materials and energy.

NOTE: In submitting a proposal responsive to priorities in this section, clearly indicate it is for the OWRT Water Reuse Research and Development Program. (WR-81). This will facilitate the processing of your proposal.

WATER SAVINGS

Senator McCLURE. Can you quantify any savings of water on a nationwide basis since you undertook the water conservation R. & D. program in 1979?

Mr. COBB. We really have not had enough activity under that program. The program was initiated in fiscal year 1979 or 1980. Only now are projects being completed, and as a result of that, we would not have had a major impact to this point.

Senator McCLURE. Do you have any specific goals in terms of nationwide savings attributable to the conservation R. & D. programs?

Mr. COBB. We didn't approach it from that point of view, Mr. Chairman. We rather approached it from the point of view of trying to develop insights, techniques, and procedures that would facilitate water conservation. We did not approach it from the point of view of quantified, absolute objectives.

Senator McCLURE. You have four identified high-priority research areas under the water conservation account. Could you give us for the record a percentage in total dollar outlay of the ongoing projects in each of those four identified high-priority research areas?

Mr. COBB. Yes, Mr. Chairman. We will provide this.

Senator McCLURE. Could you also indicate the basis upon which these four areas determine priority?

Mr. COBB. Yes, Mr. Chairman.

[The information follows:]

Water Conservation Research Priorities

The four high-priority research areas under water conservation and their attendant percentages of ongoing project funds are as follows:

	FY 79	FY 80	Planned for FY 81 Appropriation
- Economics of irrigation water conservation	24%	11%	30%
- Impacts of pricing policies on water use	27%	55%	18%
- Incentives and disincentives for promoting and accepting water conservation	15%	28%	18%
- Water conservation techniques for mining and mineral processes	NA	NA	29%
Total	66%	94%	95%

Determination of Water Conservation Research Priorities

The criteria by which these research priorities were established relate to the creation of the water conservation program several years ago. An ad hoc National Academy of Science Committee was established to recommend areas of research study for OWRT. It recommended, and background studies confirmed, that the initial focus of this program concentrate on institutional, socioeconomic and legal problems of water conservation. NAS also recommended that, in the future, techniques for wise use and allocation in potential water-short areas receive greater support.

All priorities are intended to receive fairly equal emphasis. The last priority area, water conservation techniques for mining and mineral processing, has recently come to the fore as energy/water problems in the western U.S. have become better understood. These priorities are discussed in detail as follows:

Economics of Irrigation Water Conservation

Rates charged for irrigation water are determined by interacting economic, political, legal, and social considerations. Can water rates and pricing systems be used to stimulate conservation practices in irrigated agriculture? Research should be directed at price/conservation relationships and identifying and analyzing the social, economic, institutional and other factors affecting price and cost of ground and surface irrigation waters. The research should highlight such things as shifts in crop patterns, ability to pay, effects on economic and social structures, impacts on state and national policies, and impacts on nonagricultural water uses. What benefits may be derived through alternative uses of water conserved by greater irrigation efficiency? Can the concept of water banks be applied to the solution of these problems?

Impacts of Pricing Policies on Water Use

There is a need for comprehensive water conservation planning and management for municipalities and urban areas. What control programs in water distribution systems will effect water savings? What losses in industrial water use can be eliminated or reduced? What changes in pricing policies are needed to bring about effective urban water conservation programs? How can water-saving devices

be adopted and universally installed in existing urban structures? How can changes in plumbing codes lead to effective water conservation?

Incentives and Disincentives for Promoting and Accepting Water Conservation

Very little is known about how to foster the acceptance of conservation as an integral component of water management. Incentive systems for public, government, industry, and agriculture, are needed, with data on alternatives, projected savings, projected improvements in water management, and required modifications in Federal and State laws. How effective are incentives such as subsidies, progressive pricing, regulations and selective taxing systems? The removal or reduction of disincentives to water conservation is also desirable. Attention should be given to determining the institutional, social, legal, and other concerns that may be impeding adoption of conservation programs. What will be the consequences of removing constraints toward acceptance of water conservation programs? If actual costs of water production and distribution were to be charged, what would be the effects on water use and user attitudes toward saving water?

Water Conservation Techniques for Mining and Mineral Processes

As mining and mineral processing expands with growing energy needs, the demands on existing water supplies will be stretched to their limit, especially in the western U.S. Water conservation programs will become a necessary rather than a temporary inconvenience. Critical problems will arise among competing users of existing water supplies, especially in water-short areas with the added burden of minerals exploration and exploitation. How will this competition be resolved? Are there policies for wise allocation and appropriation of water which can be applied by State and local governments? How will expanding water use in the minerals industry affect other water users, especially the agricultural and urban sectors?

WATER PROBLEMS OF URBANIZING AREAS

Senator McCLURE. On page 38 of your justification, you indicated that water problems associated with urbanization are being studied by agencies, with no single agency taking the lead. You suggest that this is a role you should in fact pursue. What, in your professional judgment, makes OWRT better qualified for this role than other Federal agencies?

Mr. COBB. Let me be sure I'm tracking with you. You're making reference to water problems of urbanizing areas, a proposed research effort in this area.

Senator McCLURE. Yes.

Mr. COBB. Our program in this area was based, in part, on a conference that was held 2½ years ago, looking at issues relating to water management in urbanizing areas. And while other Federal agencies were addressing some aspects of that, there was, again, no holistic view or comprehensive view of that issue.

It was felt, at the conference, that there was a need to take a broad view of water management in rapidly urbanizing areas. We developed a focused program to pursue that objective, and initiated it 2 years ago.

At the same time, we had also undertaken a major assessment to see what the key technological problems were in water management in urbanizing areas. That study has been completed, and its recommendations have been made to us.

Senator McCLURE. But was the judgment that you should do that your judgment or a collective judgment involving a multiagency decision?

Mr. COBB. It was really my judgment, based on the analysis and work that we had underaken in our staff, as well as this earlier conference which had identified a very specific set of problems and needs.

Senator McCLURE. If I understand your answer, it's not that you're better qualified to do it; it's just that nobody else was doing it.

Mr. COBB. Yes, Mr. Chairman; that's a good way of summing it up.

Senator McCLURE. And it's something that you felt needed to be done. It isn't anything that some other agency could not have done, but they weren't doing it. Is that a fair summary?

Mr. COBB. That's correct, Mr. Chairman.

SPECIAL RESEARCH PROJECTS

Senator McCLURE. In my review and review by the staff of your justification, we frankly had some difficulty distinguishing the types of projects listed as "special research projects" from those in your other account categories.

Can you briefly describe the differences for us this morning, and then submit for us a more detailed criteria for the record.

Mr. COBB. Yes, Mr. Chairman.

[The information follows:]

SPECIAL RESEARCH PROJECTS VS. OTHER FOCUSED RESEARCH

The Water Resources R. & D. programs are divided with one portion being the State institutes and the matching grants. These serve State and local interests primarily. The other portion is concerned with national water resources R. & D. and is spoken of as the focused program and as the national water R. & D. program. Within the

focused program are specific research subjects which as the name focused suggests, are given concentrated attention. Because the OWRT budget is not a large one, the focused research subprograms are limited. In fiscal year 1981, there were three: Water conservation, water problems of urbanizing areas, and water reuse and recycle. A fourth subprogram is included which is called special research projects. Under this heading, research is undertaken on a very few diverse research opportunities. For example, one or two investigations might be all that is needed for a particular problem or work may be desirable on topics which may, after the initial effort, evolve into new focused research subprograms. We have been looking into the potential for increasing the use of brackish water, as brackish water, in lieu of use of fresh water. Obviously, any use made of brackish water would result in the release of comparable amounts of fresh water for those demands that can only use fresh water.

Projects funded under the special research category are those which do not fit within the guidelines for the other three subprograms, yet offer excellent opportunities for solving a specific problem or for beginning work on a developing problem which is a candidate for a future focused subprogram.

GENERAL PROJECTS

Mr. COBB. Basically, our other focused research areas are quite narrowly focused. Under special research we did want to get into water for energy, increased utilization of brackish ground water, conjunctive use of surface and groundwater, and groundwater contaminants, in the coming year.

The special research account is more flexible. It's a more flexible account, allowing an opportunity under our program to fund an innovative or a good project that would not fit under one of the other focused research areas.

Senator MCCLURE. I'm still just as confused as I was before. What distinguishes one from the other? You've made an arbitrary list of some general categories.

Mr. COBB. Perhaps it's the level of effort, Mr. Chairman, that would be another way of looking at it.

Senator MCCLURE. We'll put some projects in these general categories, but if they don't fit in those general categories, we'll call them special research projects and go ahead and do them anyhow?

Mr. COBB. If they have high priority, and appear to have high merit.

Senator MCCLURE. Whether they were within or without the general categories?

Mr. COBB. Our priorities are rather specific in each of the focused research areas, yet we want to be able to respond and fund other innovative and good work that has good potential that would not technically fit our criteria under the focused research areas. We have identified some research areas that do not fit under the focused research headings but are important enough to be done and are, therefore, in the special research category.

Senator MCCLURE. Along the same line, would you please provide for the record the criteria used by the OSTP/DOI interagency water research priority group in determining those categories that are critical or urgent priorities.

Mr. COBB. Yes, Mr. Chairman.

[The information follows:]

OSTP/DOI INTERAGENCY WATER RESEARCH PRIORITY CRITERIA

The Water Resources Research Review Committee of the Commission on Natural Resources, National Research Council has established three high priority categories that it proposes for use in formulating water resources research programs in the January budget for fiscal year 1982. These categories are (1) critical, (2) urgent, and (3) important.

In the critical priority category are those research activities that the committee believes are indispensable to the solution of water resource problems of crucial or decisive importance to the Nation.

In the urgent priority category are those research activities that the committee believes are needed for solution of water resource problems that are pressing, compelling, or requiring immediate action or attention.

In the important priority category are those research activities that are judged to be needed for solution of water resource problems of great significance or consequence.

BRACKISH WATER PLANTS

Senator MCCLURE. Under the special research account, you identified jojoba, guayule, and Canegria as three plants which show promise for development using brackish water. Are you aware that USDA is also expending considerable funds to study these same plants?

Mr. COBB. Mr. Chairman, our information is that they have not been expending very much money under their authority.

Senator MCCLURE. The information USDA gives us is that they are spending money on research on those specific plants.

Mr. COBB. May I ask Ms. Doris Ullman to respond to that. She has been working on this particular project.

Ms. ULLMAN. Mr. Chairman, I think USDA is doing some work on it.

But I attended a conference in Phoenix several months ago with the research community, eight western State institute research directors and the Arizona State University staff, who are conducting research with some Department of Agriculture money on new crops for western States that will use brackish water, or can possibly use brackish water. The feeling at that conference was that USDA was not doing enough work, that it would be very valuable if our institutes were involved in doing more work, more water-specific work.

I believe USDA is working primarily with jojoba. It's becoming a serious problem in the western States, because not enough research has been done on that crop, and it is being planted by many farmers and small new farmers coming into the States.

Current limited research results show that it requires the same amount of water to produce a commercial crop of jojoba as the plant it might replace, and because of the water shortages in that area, it's a very serious problem for Arizona, New Mexico, California, and Nevada.

Senator MCCLURE. You say it consumes as much water. But it can survive in brackish water.

Ms. ULLMAN. It can possibly survive with brackish water, but the research has not yet been done to establish that. It will grow wild, but not produce a commercial crop with a low amount of water, but not enough research has been done to determine what is the required amount of water.

Senator MCCLURE. But USDA is doing research, then?

Ms. ULLMAN. USDA is involved at Arizona State University, yes. But the feeling there was that not enough work was being done by USDA.

Senator McCLURE. What are you doing that they're not doing?

Ms. ULLMAN. We're not doing anything, yet.

Senator McCLURE. What do you propose to do that they don't do?

Ms. ULLMAN. I think all of our western State institute directors are proposing a joint effort to work on these three crops, and other crops.

Senator McCLURE. But you still haven't said what you're going to do that they aren't going to do.

Ms. ULLMAN. I think our primary purpose, the institute directors' first purpose, will be to identify what research needs to be done. Then they will begin joint work on all three of these plants, and some other plants.

Senator McCLURE. I think I detect from your answer that what you're telling me is that you don't know what they're doing, and you don't know what to do, but you hope to find out.

Ms. ULLMAN. We can submit for the record the research that has been done by the institutes.

Mr. COBB. There were two points that our institute directors are considering specifically that they would propose to put into their program: they want to establish what exactly are the water requirements for the plants, so that they would know that and compare that with crops to be replaced; second is the work on the tolerance of these plants to brackish water, to understand that better through genetics.

Senator McCLURE. USDA is doing precisely that.

Mr. COBB. I will accept your Statement, Mr. Chairman.

Senator McCLURE. Would you provide for the record further justification on that?

Mr. COBB. Yes, Mr. Chairman.

[The information follows:]

Coordination of Research on the Salt Tolerance of Certain Crops to Brackish Water

OWRT is proposing increased research on beneficial use of brackish water, including the suitability of such water for new crops for the arid and semiarid Southwestern United States. Of particular interest are guayule, jojoba, and canaigre, because of the possibility that these wild plants could fill strategic needs of the United States as well as provide low-water using or salt-tolerant alternative crops.

Although research has been done on each of these plants, and the Department of Agriculture is continuing to conduct research on soil and water salinity as related to existing commercial crops, it is the opinion of the water resources research Institutes in the States of Arizona, New Mexico, California, Texas, Nevada and Colorado that insufficient work is being done on the water requirements of these and other new crops.

No research program focuses on the development of salt-tolerant crops, on regional water impacts if new crops are grown commercially, on impacts on existing crops if new ones are selected as alternatives, or on water availability for these crops.

The Institutes have proposed a two-step approach to the problems of brackish water utilization research, including research on the water needs of new crops: (1) a research assessment seminar to bring together the research and development professionals from universities, Federal and State agencies, and private industry who together can determine research needs, priorities and funding levels, and to exchange information among those who work in specific areas; and (2) an integrated research program by the Institutes directed at priority work not scheduled by other research agencies. The research conducted by and through the Institutes would complement and enhance work which has been completed or is being done by other agencies and the universities.

The Department of Agriculture supports work on salt tolerance of commercial crop plants at the Salinity Lab, Riverside, California. This has included research on wheatgrass, cotton, summer cypress, rice, alfalfa, beets, and several vegetable crops. The Soil Conservation Service has studied salt diet for pine seedlings, and salt tolerances of ground covers and shrubs. The University of Arizona, with USDA support, has studied salinity tolerance of barley. While not a definitive list, it is sufficient for noting that the studies have been on salinity tolerance of existing crops, or the development of salt-tolerant strains of existing crops. No work is being done on new crops. Work on new crops is being done at Arizona State University at the Center for New Crop Applied Science and Technology (NEWCAST), with partial support from USDA.

For each of the new crops for which OWRT proposes to provide research support, the following information is offered:

Jojoba: This plant produces an oil suitable as a lubricant and as an antifoaming agent in drugs. It is a replacement for sperm whale oil and wax. The plant grows wild with water of varying salinity. Wild seed must still be collected to plant commercial crops. In spite of unknown water requirements, jojoba is being planted in the Southwest at a relatively rapid rate, with 3 to 4 thousand acres being added each year in Arizona alone. Desert land is being sold at up to $125,000 for a 40 acre plot to be "custom farmed in jojoba"; investors can use this purchase as a tax writeoff. However, actual planting of the jojoba is being done with little consideration for water availability in a region with existing serious water shortages.

Research has been conducted at University of Negev, Israel, Arizona State University, USDA Salinity Lab, Riverside, California, and at OWRT Institutes in Texas, Arizona, New Mexico, and California. Research directly related to water requirements has been limited:

a search of the Water Resources Scientific Information Center data base for completed research on salt tolerance shows no USDA projects directly related to jojoba plants.

Guayule: This plant produces rubber, it grows wild in arid and semiarid regions. Water needs for growing commercial crops are not known, although a good deal of research has been done on the rubber production. During World War II, the Emergency Rubber Project conducted by the U.S. Forest Service did extensive research on guayule and on its cultivation. With the successful development of synthetic rubber and the war's end, the project was abandoned. However, synthetic rubber made from petroleum today is neither cheap nor is its supply dependable. The trees that produce rubber can only be cultivated in the tropics leaving sources and supplies outside of our domestic control. The projected increased demand for natural rubber has triggered the renewed interest in guayule which may be adapted for cultivation in the Southwestern United States.

The National Academy of Sciences completed a technology assessment on guayule in 1977, concluding that guayule and the normal natural rubbers are virtually identical in physical and chemical properties, that demand for rubber is expected to increase worldwide, that agricultural techniques of 30 years ago are not useful in making guayule a commercial crop today, and that guayule is potentially important to national security. Their recommendations included initiation of a major research and development program by the United States Government. Since that time, the Native Latex Commercialization and Economic Development Act of 1978, P.L. 95-592, authorized $15 million each to the Department of Agriculture and the Department of Commerce; no funds have ever been appropriated. The National Science Foundation has also funded two technology assessments on guayule commercialization, with recommendations for research needs similar to those of the National Academy of Sciences. In addition, National Science Foundation has funded 15 research projects on guayule. Only one of these projects focused on water requirements and production practices. The Department of Agriculture funded 9 guayule research projects in 1980 and six in 1981. Of the 1980 projects, two are water-related; of the 1981 projects two are water-related and one is related to salt tolerance. Two of the Department of Agriculture and one of the National Science Foundation projects noted are being carried out through the OWRT water resources research Institute in Texas.

Because the current work on water needs of this plant is so limited, OWRT believes a coordinated R&D program should be initiated to develop salt tolerant strains, to identify the water needs for commercial agriculture, and to study water impacts of commercialization.

Canaigre: This plant produces tannin, a third strategic material which must now be imported to the United States. The plant grows wild in semiarid regions, and is comparatively easy to grow, although it takes five years to develop. No research has been identified in the United States on the amount or quality of water needed for commercial growth.

The Institute in Colorado has done significant work on the development of salt-tolerant plants, through applied tissue culture techniques producing a plant which tolerates up to 8,000 milligrams per liter of salt, ten times the level of normal salt tolerance found in similar plants. The Institutes in the Southwest have proposed this work as one basis for developing salt tolerant strains of the three alternative crop plants, and possibly of other new crops. In addition, the Institutes believe that they can jointly conduct the integrated program which is needed.

MEMBRANE TECHNOLOGY

Senator McCLURE. Membrane research under the saline water R. & D. amounts to some $1.85 million, or 58.6 percent of the total, if my figures are correct. Under saline water membrane development, this figure is $4.405 million, or 58.1 percent of the total.

Is membrane technology really that promising to attract such a high percentage of all research and development funds?

Mr. COBB. Yes, Mr. Chairman. Let me review briefly the status of the various technologies. Distillation technology is a mature technology that was developed in this country in the early 1950's through the early 1970's. It is at the present time, commercially, the most prominent technology, with large sales in the Middle East.

Improvements that are coming into distillation technologies are, for the most part, being made by industry. We have, therefore, devoted very little of our effort to that technology. Membrane technology is a developing technology that has great potential for improvement, particularly with respect to seawater. Brackish water membranes work, and they work very well. There are, technically, improvements that can be made that will reduce costs.

Freeze technology—I was going to use the term "an immature technology." That's not quite what I mean. Freeze technology is in the early stages of development and there's a great deal of work that will have to be done before the potential of that technology can be achieved.

Senator McCLURE. I remember when we got to the point in the saline water program that we were looking at distillation processes, and recognized that all we were doing was retesting much of what we'd already done a number of times before.

Membranes showed a promise for something different, particularly in the upgrading of water quality, without necessarily bringing pure distilled water into the municipal and industrial supplies. We also recognized, I think, that the distillation process was too expensive to provide water for agricultural purposes under the most general applications.

So yes, we did focus on membrane technology. This has been conducted for a long time by one Federal agency or another. During that period of time, can we point to any major breakthroughs as a result of that research on membrane technology?

Mr. COBB. Yes, Mr. Chairman, I think we can, in that program. The technology that has been developed under the program, as I mentioned, works on brackish feed water. It's a very effective technology, and membrane sales are increasing for that use. In addition, membrane technology is going to have a future in reuse technology and is now beginning to be used in reuse and recycle. Membrane technology is not, however, a proven technology with respect to seawater, and some work remains to be done in that area.

Senator McCLURE. Could you provide for the record the total amount of money that's been spent on membrane-related research?

Mr. COBB. Yes, Mr. Chairman.

Senator McCLURE. Would you include in that the expenditures made prior to the creation of the OWRT?

Mr. COBB. I think we will be able to get that earlier information. I'm not sure. We'll try, Mr. Chairman.

Senator McCLURE. OK.
[The information follows:]

FUNDS SPENT ON MEMBRANE RELATED RESEARCH

Approximately $90 million has been spent on membrance-related research and development.

MEMBRANCE RESEARCH FUNDED BY INDUSTRY

Senator McCLURE. How much money is being expended by the producers of the membranes in research toward the improvement of those membranes?

Mr. COBB. May I provide that for the record, too, Mr. Chairman? There is some. I'm not sure how much.

[The information follows:]

Approximately 20 percent of saline water research and development projects involve cost sharing to varying degrees.

Out of $5 million in ongoing research, approximately 2 percent is added by industry or the universities involved.

The willingness of industry to cost share with OWRT in ongoing development is usually based on a desire to obtain patent waivers. The amount of cost sharing varies and is negotiable, OWRT usually requires from 30 to 50 percent before waivers can be seriously considered. Four major development programs funded in fiscal year 1980 were in this category. About 12 others were cost shared on a smaller scale. In fiscal year 1980, industry added approximately 20 percent to OWRT's $5 million for membrance development projects.

There is no information on the amount which industry spends on its own membrance research and development. There are no trade organizations which sponsor R. & D. and individual companies rarely disclose details of their research budgets. Research funds are normally provided from current revenues, usually taken as one-half to 2 percent of sales, and as the current desalting market is relatively small, only large companies can afford research specifically related to improving membrane formulations. Accordingly, based on limited sales information for the larger companies, we estimate the total industry research and development including its cost sharing with OWRT to be under $5 million.

MEMBRANE SALES

Senator McCLURE. You say membrane sales are increasing. There are more and more applications of it; is that correct?

Mr. COBB. Yes, Mr. Chairman.

Senator McCLURE. I'd like some evidence that the private sector believes as strongly in membrane technology as OWRT does. I'd like some evidence that they're involved in more than just selling what you've proven.

I am not opposed to Government research. I just think if they're going to commercialize it, if it has the promise that we've been told for years, somebody ought to be moving into commercialization.

It seems to me they have an interest in getting it proven. And there ought to be some competition among various membrane suppliers. It isn't just an academics world. There's a real economic world out there in which they operate. As a matter of fact, if membrane sales are increasing, then we ought to see some evidence for growing competition in that field.

Mr. COBB. I think we can demonstrate that, Mr. Chairman.

Senator McCLURE. If you could provide us some evidence of that for the record, I would appreciate it.

Could you provide in that connection the size, location, and basic technology used by each of the private or municipally owned desalination plants now in operation in this country?

Mr. COBB. Yes, Mr. Chairman.

[The information follows:]

EVIDENCE OP COMPETITION IN THE MEMBRANE DESALINATION FIELD

Evidence of growing competition within the United States can be seen by the increasing use of this technology as well as the growing number of commercial companies actively engaged in this field. In 1970, the membrane industry within the United States was in its infancy with approximately 12 to 15 companies actively engaged in research and development. At that time, the installed membrance capacity worldwide was about 1 million gallons per day. Between 1970 and 1979, membranes applications, particularly reverse osmosis, experienced phenomenal growth. By 1979, the worldwide capacity increased to 350 million gallons per day with a growth rate that each year was nearly double the previous year. Due to this ever expanding market, there has been a corresponding increase in the number of commercially active companies. There is strong competition among the over 45 commercial suppliers of reverse osmosis equipment with a minimum of five to six responsive bids being received or being offered.

SIZE, LOCATION, AND BASIC TECHNOLOGY OF U.S. DESALINATION PLANTS

As of January 1977, there were 481 desalting plants in the United States with a total capacity of 100 million gallons per day and 29 plants in the United States territories, with a total capacity of 18.8 million gallons per day. This was based on a survey of land-based plants with individual capacities of 25,000 gallons per day or more. Plant locations and other pertinent data are listed on pages 5 thru 16 of the Desalting Plants Inventory Report No. 6 which is available from the National Technical Information Service (PB 274896). Copies of these pages and page 107, Explanation of Codes and Symbols, are attached for the record.

Publication of Inventory Report No. 7 to update this information through December 1980 is scheduled for May 1981. This new report will be produced by the National Water Supply Improvement Association and will be offered for sale by that organization.

TABLE 1

LAND-BASED DESALTING PLANTS

IN OPERATION OR UNDER CONSTRUCTION

WITH CAPABILITIES OF 25,000 GPD OR MORE

BY LOCATION WITHIN GEOGRAPHIC REGIONS

JANUARY 1, 1977*

*A few early 1977 sales may be included in this table.

TABLE 1.

DESALTING PLANTS BY GEOGRAPHIC REGIONS

REGION
UNITED STATES

STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
ALASKA	1257	JUNEAU	36.	1	O	RO	1975	71	ISW	MPAL	W	ELEC
ALASKA	1050	KOTZEBUE	30.	4	O	VC	1965	69	ISW	MPAL	W	OIL
ALASKA	1021	POINT BARROW. BUR. INDIAN AFFAIR	60.	1	C	RO	1974	36	ISW	MPAL	W	ELEC
ALASKA	1030	POINT BARROW (AF)	30.	2	O	VC	1963	11	ISW	MIL	W	OIL
ARIZONA	1060	BUCKEYE	650.	3	O	ED	1962	55	ISW	MPAL	W	ELEC
ARIZONA	1227	CHANDLER	39.	1	O	RO	1974	96	ISW	IND	W	ELEC
ARIZONA	1315	CHANDLER. GENERAL INSTRUMENTS	129.	0	O	RO	1976	72	ISW	IND	W	ELEC
ARIZONA	1165	COCHISE	288.	1	C	RO	1975	68	ISW	P	W	ELEC
ARIZONA	1051	FOUR CORNERS	754.	2	O	ST	1969	45	ISW	IND	W	COAL
ARIZONA	1082	KYRENE	127.	1	O	RO	1973	71	ISW	MPAL	W	ELEC
ARIZONA	1226	MESA	27.	1	O	RO	1974	96	ISW	IND	W	ELEC
ARIZONA	1085	MESA. MOTOROLA SEMICONDUCTOR	320.	2	O	RO	1972	72	ISW	IND	W	ELEC
ARIZONA	1297	MESA. MOTOROLA SEMICONDUCTOR	209.	1	O	RO	1974	72	ISW	IND	W	ELEC
ARIZONA	1319	PAGE. NAVAJO SALT RIVER PROJECT	270.	1	O	VTVC	1974	4	WST	P	W	ELEC
ARIZONA	1141	PALO VERDE. ARIZONA PUBLIC SERV.	36.	1	O	RO	1977	45	ISW	P	W	ELEC
ARIZONA	1142	PALO VERDE. ARIZONA PUBLIC SERV.	36.	1	O	RO	1977	45	ISW	P	W	ELEC
ARIZONA	1143	PALO VERDE. ARIZONA PUBLIC SERV.	1150.	3	C	RO	1977	45	ISW	IND	W	ELEC
ARIZONA	1228	PHOENIX	25.	1	O	RO	0	96	ISW	IND	W	ELEC
ARIZONA	1225	PHOENIX	288.	1	O	RO	1975	96	ISW	IND	W	ELEC
ARIZONA	1113	PHOENIX	30.	1	O	EDR	1976	55	ISW	IND	W	ELEC
ARIZONA	1223	PHOENIX	240.	1	O	RO	1976	96	ISW	IND	W	ELEC
ARIZONA	1064	PHOENIX. MINNESOTA-HONEYWELL	100.	1	O	EDR	1973	55	ISW	IND	W	ELEC
ARIZONA	1061	PHOENIX. MOTOROLA	320.	4	O	RO	1974	53	ISW	IND	W	ELEC
ARIZONA	1204	PHOENIX. MOTOROLA	57.	1	C	RO	1977	17	ISW	IND	W	ELEC
ARIZONA	1044	ST.JOHNS. BECHTEL	60.	1	O	RO	1976	36	ISW	P	W	ELEC
ARIZONA	1332	TUCSON	375.	4	C	RO	1976	53	WST	IND	W	ELEC
ARIZONA	1066	YUMA	72.	1	O	RO	1974	50	ISW	DEMO	W	ELEC
ARIZONA	1065	YUMA	60.	1	O	ED	1974	50	ISW	DEMO	W	ELEC
ARIZONA	1063	YUMA	50.	1	O	RO	1974	68	ISW	DEMO	W	ELEC
ARIZONA	1355	YUMA	60.	2	O	RO	1975	21	ISW	DEMO	W	ELEC
ARIZONA	1224	YUMA	60.	1	O	RO	1976	96	ISW	IND	W	ELEC
ARIZONA	1333	YUMA. BUREC TEST FACILITY	175.	1	O	RO	1976	53	ISW	DEMO	W	ELEC
ARIZONA	1334	YUMA. BUREC TEST FACILITY	175.	1	O	RO	1976	53	ISW	DEMO	W	ELEC
ARIZONA	1335	YUMA. BUREC TEST FACILITY	50.	1	O	RO	1976	45	ISW	DEMO	W	ELEC
ARIZONA	1317	YUMA. U.S. DEPT. OF THE INTERIOR	38.	1	O	EDR	1975	55	ISW	DEMO	W	ELEC
ARIZONA	1144	YUMA. U.S. DEPT. OF THE INTERIOR	200.	1	O	EDR	1976	55	ISW	DEMO	W	ELEC
ARKANSAS	1062	FORT SMITH	34.	2	C	RO	1974	88	ISW	IND	W	ELEC
CALIFORNIA	1074		60.	1	O	VC	1973	11	ISW	IND	W	ELEC
CALIFORNIA	1075		60.	4	O	VC	1974	11	ISW	IND	W	ELEC
CALIFORNIA	1349	BAKERSFIELD	40.	1	O	RO	1975	21	ISW	IND	W	ELEC
CALIFORNIA	1083	BEAUMONT	60.	1	O	RO	1973	71	WST	IND	W	ELEC

TABLE 1. CONTINUED

UNITED STATES

STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
CALIFORNIA	1117	BURBANK	45.	1	0	RO	1973	68	ISW	MPAL	W	ELEC
CALIFORNIA	1119	CALCOT LTD.	50.	1	0	EDR	1974	55	ISW	IND	W	ELEC
CALIFORNIA	1114	CAMARILLO	34.	1	0	RO	1974	88	ISW	MPAL	W	ELEC
CALIFORNIA	1285	CARLSBAD. BURROUGHS	50.	1	0	RO	1970	53	ISW	IND	W	ELEC
CALIFORNIA	1260	COALINGA	28.	1	0	ED	1959	55	ISW	MPAL	W	ELEC
CALIFORNIA	1070	CONCORD	25.	1	C	RO	1974	50	ISW	IND	W	ELEC
CALIFORNIA	1340	CONTRA COSTA NO. 6 PG&E	105.	1	0	F	1964	95	ISW	P	W	GAS
CALIFORNIA	1350	CONTRA COSTA NO. 7 PG&E	105.	1	0	F	1964	95	ISW	P	W	GAS
CALIFORNIA	1241	CUPERTINO	60.	1	0	RO	1974	96	ISW	IND	W	ELEC
CALIFORNIA	1206	CUPERTINO	32.	1	C	RO	1977	28	WST	IND	W	ELEC
CALIFORNIA	1130	EL CENTRO	40.	1	0	ST	1956	45				
CALIFORNIA	1105	EL MONTE. CENTRALAB SEMICOND.	40.	1	0	RO	1971	72	ISW	IND	W	ELEC
CALIFORNIA	1238	EL SEGUNDO	57.	1	0	RO	1975	96	ISW	IND	W	ELEC
CALIFORNIA	1286	ENCINITAS. ECKE RANCH	50.	1	0	RO	1973	53	ISW	MPAL	W	ELEC
CALIFORNIA	1102	ENCINO STA.5. SAN DIEGO G&E	75.	1	C	F	1975	95	ISW	P	W	COAL
CALIFORNIA	1107	ESCONDIDO	168.	1	0	RO	1974	53	WST	DEMO	W	ELEC
CALIFORNIA	1115	FOUNTAIN VALLEY	3000.	1	0	VTMF	1973	45	SW	DEMO	W	GAS
CALIFORNIA	1336	FOUNTAIN VALLEY. OCWD	5000.	6	0	RO	1977	53	WST	MPAL	W	ELEC
CALIFORNIA	1338	GAVIOTA STATE BEACH	30.	1	0	RO	1976	32	ISW	MPAL	W	ELEC
CALIFORNIA	1196	GLENDALE	116.	2	C	RO	1977	12	ISW	MPAL	W	ELEC
CALIFORNIA	1232	HAWTHORNE	72.	1	0	RO	1976	96	ISW	IND	W	ELEC
CALIFORNIA	1292	HEALDSBURG. FAIRCHILD	136.	0	0	RO	1973	72	ISW	IND	W	ELEC
CALIFORNIA	1140	HUMBOLDT BAY	60.	1	0	ST	1955	45				
CALIFORNIA	1160	LA HOLLA	30.	1	0	RO	1974	66	ISW	IND	W	ELEC
CALIFORNIA	1108	LAKE TAHOE. EL DORADO	50.	0	0	RO	1974	53	WST	MPAL	W	ELEC
CALIFORNIA	1294	LAWNDALE. TRW SEMICONDUCTOR	30.	1	0	RO	1974	72	ISW	IND	W	ELEC
CALIFORNIA	1248	LIVERMORE	96.	1	0	RO	1974	96	ISW	IND	W	ELEC
CALIFORNIA	1288	LIVERMORE. INTEL	35.	1	0	RO	1973	72	ISW	IND	W	ELEC
CALIFORNIA	1249	LOS ANGELES	48.	1	0	RO	0	96	ISW	IND	W	ELEC
CALIFORNIA	1275	LOS ANGELES	36.	1	0	VC	1967	11	ISW	IND	W	ELEC
CALIFORNIA	1354	LOS ANGELES	40.	1	0	RO	1977	21	ISW	IND	W	ELEC
CALIFORNIA	1270	LOS ANGELES. ARROWHEAD	100.	2	0	VC	1947	11	ISW	IND	W	ELEC
CALIFORNIA	1054	LOS ANGELES. BECKMAN	36.	1	0	RO	1976	36	ISW	IND	W	ELEC
CALIFORNIA	1362	LOS ANGELES. GARRETT CORP.	30.	1	0	RO	1971	3	ISW	IND	W	ELEC
CALIFORNIA	1361	LOS ANGELES. NORTH AM. ROCKWELL	40.	1	0	RO	1971	3	ISW	IND	W	ELEC
CALIFORNIA	1236	MARE ISLAND	145.	1	0	RO	1975	96	ISW	MIL	W	ELEC
CALIFORNIA	1239	MARE ISLAND	190.	1	0	RO	1975	96	ISW	MIL	W	ELEC
CALIFORNIA	1180	MORRO BAY A-NO. 1	72.	1	0	ST	1955	63	SW	P	WP	
CALIFORNIA	1190	MORRO BAY B-NO. 2	72.	1	0	ST	1955	63	SW	P	WP	
CALIFORNIA	1200	MORRO BAY NO. 3 PG&E	123.	1	0	F	1962	95	SW	P	W	GAS
CALIFORNIA	1210	MORRO BAY NO. 4 PG&E	123.	1	0	F	1963	95	SW	P	W	GAS
CALIFORNIA	1230	MOSS LANDING NO. 6 PG&E	188.	1	0	F	1965	95	SW	P	W	GAS
CALIFORNIA	1240	MOSS LANDING NO. 7 PG&E	188.	1	0	F	1966	95	SW	P	W	GAS
CALIFORNIA	1343	MOSS LANDING PG&E	448.	1	0	RO	1977	30	ISW	P	W	ELEC
CALIFORNA	1106	MOUNTAIN VIEW	42.	2	0	RO	1972	72	ISW	IND	W	ELEC
CALIFORNIA	1229	MOUNTAIN VIEW	65.	1	0	RO	1977	96	ISW	IND	W	ELEC
CALIFORNIA	1348	NEEDLES	40.	1	0	RO	1976	21	ISW	TOUR	W	ELEC
CALIFORNIA	1244	PALO ALTO	36.	1	0	RO	0	96	ISW	IND	W	ELEC
CALIFORNIA	1245	PALO ALTO	36.	1	0	RO	0	96	ISW	IND	W	ELEC
CALIFORNIA	1279	PALO ALTO. HEWLETT PACKARD	30.	1	0	RO	1971	72	ISW	IND	W	ELEC

TABLE 1. CONTINUED

UNITED STATES

STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
CALIFORNIA	1284	PALO ALTO. MICROFAB SYSTEMS	35.	1	O	RO	1973	72	ISW	IND	W	ELEC
CALIFORNIA	1280	PASADENA	58.	2	O	ST	1965	46	ISW	IND	W	
CALIFORNIA	1116	PASADENA	25.	1	O	RO	1972	68	ISW	IND	W	ELEC
CALIFORNIA	1353	PASADENA	43.	1	C	RO	1977	21	ISW	MPAL	W	ELEC
CALIFORNIA	1067	PITTSBURG	45.	1	O	RO	1974	50	ISW	IND	W	ELEC
CALIFORNIA	1293	PITTSBURG. DOW CHEMICAL	30.	1	O	RO	1974	72	ISW	IND	W	ELEC
CALIFORNIA	1131	RANCHO BERNARDO. BURROUGHS	30.	1	O	RO	1970	53	ISW	IND	W	ELEC
CALIFORNIA	1069	REDMOND CITY	25.	1	O	RO	1974	50	ISW	IND	W	ELEC
CALIFORNIA	1120	REDONDO	100.	1	O	ST	1956	45				
CALIFORNIA	1283	REDONDO BEACH. TRW SEMICONDUCTOR	52.	2	O	RO	1973	72	ISW	IND	W	ELEC
CALIFORNIA	1242	SAN DIEGO	100.	1	O	RO	1974	96	ISW	IND	W	ELEC
CALIFORNIA	1231	SAN DIEGO	98.	1	O	RO	1976	96	ISW	IND	W	ELEC
CALIFORNIA	1109	SAN DIEGO. COUNTRY ESTATES	225.	4	O	RO	1974	53	WST	MPAL	W	ELEC
CALIFORNIA	1111	SAN DIEGO. KEARNEY MESA	33.	1	O	RO	1973	53	ISW	IND	W	ELEC
CALIFORNIA	1337	SAN DIEGO. NTC	25.	1	O	RO	1973	53	ISW	MIL	W	ELEC
CALIFORNIA	1118	SAN DIEGO-SOUTH	450.	1	C	RO	1974	68	ISW	IND	W	ELEC
CALIFORNIA	1300	SAN DIEGO SOUTH BAY NO.2 SDG&E	58.	1	O	F	1962	95	ISW	P	W	GAS
CALIFORNIA	1310	SAN DIEGO SOUTH BAY NO.3 SDG&E	58.	1	O	F	1964	95	ISW	P	W	GAS
CALIFORNIA	1243	SAN JOSE	28.	1	O	RO	0	96	ISW	IND	W	ELEC
CALIFORNIA	1135	SAN ONOFRE (NUCLEAR) SCE	172.	2	O	F	1966	95	SW	P	W	URAN
CALIFORNIA	1290	SAN RAFAEL. FAIRCHILD	43.	1	O	RO	1973	72	ISW	IND	W	ELEC
CALIFORNIA	1084	SANTA ANNA	89.	1	O	RO	1973	71	ISW	IND	W	ELEC
CALIFORNIA	1068	SANTA CLARA	60.	1	O	RO	1974	50	ISW	IND	W	ELEC
CALIFORNIA	1247	SANTA CLARA	2016.	8	O	RO	1974	96	ISW	IND	W	ELEC
CALIFORNIA	1235	SANTA CLARA	34.	1	O	RO	1975	96	ISW	IND	W	ELEC
CALIFORNIA	1237	SANTA CLARA	25.	1	O	RO	1975	96	ISW	MIL	W	ELEC
CALIFORNIA	1233	SANTA CLARA	144.	1	O	RO	1976	96	ISW	IND	W	ELEC
CALIFORNIA	1322	SANTA CLARA. INTEL	30.	1	O	RO	1972	72	ISW	IND	W	ELEC
CALIFORNIA	1278	SANTA CLARA. NATIONAL SEMICONDUC	40.	2	O	RO	1970	72	ISW	IND	W	ELEC
CALIFORNIA	1287	SANTA CLARA. NATIONAL SEMICONDUC	50.	1	O	RO	1973	72	ISW	IND	W	ELEC
CALIFORNIA	1351	SANTA MARIA	26.	1	O	RO	1977	21	ISW	IND	W	ELEC
CALIFORNIA	1220	SANTEE	45.	1	O	ED	1968	55	ISW	DEMO	W	ELEC
CALIFORNIA	1330	SUNNYVALE	30.	1	O	RO	1970	53	ISW	IND	W	ELEC
CALIFORNIA	1246	SUNNYVALE	260.	1	O	RO	1974	96	ISW	IND	W	ELEC
CALIFORNIA	1205	SUNNYVALE	30.	1	O	RO	1976	28	ISW	IND	W	ELEC
CALIFORNIA	1113	SUNNYVALE. VALCO PARK	300.	4	O	RO	1973	53	ISW	IND	W	ELEC
CALIFORNIA	1234	TRACY	115.	1	O	RO	1976	96	ISW	IND	W	ELEC
CALIFORNIA	1352	TRACY	46.	1	C	RO	1977	21	ISW	IND	W	ELEC
COLORADO	1440	CAMEO STATION	29.	1	O	ST	1959	45	ISW	P	W	STM
COLORADO	1420	CHEROKEE	75.	1	O	ST	1960	45				
COLORADO	1175	COLORADO SPRINGS	25.	1	O	RO	1975	84	ISW	IND	W	ELEC
COLORADO	1327	COLORADO SPRINGS	575.	2	C	VTVC	1977	4	WST	IND	W	ELEC
COLORADO	1371	COLORADO SPRINGS.HEWLETT-PACKARD	36.	1	O	RO	1973	64	ISW	IND	W	ELEC
COLORADO	1342	COLORADO SPRINGS. R.D. NIXON	432.	3	C	RO	1977	53	WST	P	W	ELEC
COLORADO	1328	CRAIG. YAMPA POWER PLANT	1000.	3	C	VTVC	1976	4	WST	P	W	ELEC
COLORADO	1370	DENVER. MARTIN MARIETTA	40.	2	O	RO	1974	36	ISW	IND	W	ELEC
COLORADO	1138	FORT LYONS. V.A. HOSPITAL	80.	1	O	RO	1976	36	ISW	MPAL	W	ELEC
COLORADO	1256	FORT ST.VRAIN	84.	1	O	RO	1974	96	ISW	P	W	ELEC
COLORADO	1329	HAYDEN. SALT RIVER PROJECT	327.	1	O	VTVC	1976	4	WST	P	W	ELEC
COLORADO	1071	ROCKY FLATS	28.	1	C	RO	1974	50	ISW	IND	W	ELEC

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STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
COLORADO	1430	VALMONT	90.	1	O	ST	1961	45				
COLORADO	1086	WINDSOR	33.	1	O	RO	1973	71	ISW	IND	W	ELEC
COLORADO	1123	WINDSOR. EASTMAN KODAK	1152.	8	O	RO	1975	71	ISW	IND	W	ELEC
CONNECTICUT	1471	BRIDGEPORT BRASS	866.	5	O	RO	1974	53	WST	IND	W	ELEC
CONNECTICUT	1480	DEVON A	40.	1	O	ST	1957	45	ISW	P	W	STM
CONNECTICUT	1470	GROTON	45.	1	O	RO	1974	84	ISW	IND	W	ELEC
CONNECTICUT	1547	WATERFORD	116.	2	O	ST	1968	46	SW	IND	W	
FLORIDA	1209	BROADVIEW CONDOMINIUM	50.	1	O	RO	1976	56	ISW	MPAL	W	ELEC
FLORIDA	1212	BURNT STORE PARK	50.	1	O	RO	1976	56	ISW	MPAL	W	ELEC
FLORIDA	1258	CAPE CORAL	3000.	6	O	RO	1977	71	ISW	MPAL	W	ELEC
FLORIDA	1208	ESTERO WOODS	30.	1	O	RO	1976	56	ISW	MPAL	W	ELEC
FLORIDA	1610	FLORIDA POWER & LIGHT A	40.	1	O	ST	1958	45	ISW	P	W	STM
FLORIDA	1151	FORT MYERS	45.	1	O	RO	1972	71	ISW	P	W	ELEC
FLORIDA	1087	FORT PIERCE	30.	1	O	RO	1973	71	ISW	MPAL	W	ELEC
FLORIDA	1259	FORT PIERCE	32.	1	O	RO	1975	71	ISW	MPAL	W	ELEC
FLORIDA	1569	FORT PIERCE. BRYN MAWR	75.	1	O	RO	1972	53	ISW	TOUR	W	ELEC
FLORIDA	1152	GASPARILLA PINES	100.	1	O	RO	1972	71	ISW	MPAL	W	ELEC
FLORIDA	1580	JACKSONVILLE	45.	1	O	ST	1956	45				
FLORIDA	1563	JACKSONVILLE. ELEC. AUTHORITY	360.	1	O	RO	1973	64	ISW	P	W	ELEC
FLORIDA	1301	KEY LARGO. CARD SOUND GOLF CLUB	300.	1	O	RO	1974	72	ISW	TOUR	W	ELEC
FLORIDA	1339	KEY LARGO. FKAA	1000.	2	O	RO	1976	53	ISW	MPAL	W	ELEC
FLORIDA	1560	KEY WEST. FKAA	2620.	1	O	MSF	1967	95	SW	MPAL	W	OIL
FLORIDA	1088	MARINELAND	100.	1	O	RO	1973	71	ISW	MPAL	W	ELEC
FLORIDA	1089	MELBOURNE	127.	1	O	RO	1973	71	ISW	IND	W	ELEC
FLORIDA	1124	MELBOURNE	57.	1	O	RO	1974	71	ISW	MPAL	W	ELEC
FLORIDA	1341	MIAMI. BEVERAGE CANNERS	144.	1	O	RO	1976	53	ISW	IND	W	ELEC
FLORIDA	1571	NOKOMIS	45.	1	O	RO	1973	88	ISW	MPAL	W	ELEC
FLORIDA	1575	NOKOMIS	34.	1	O	RO	1973	88	ISW	MPAL	W	ELEC
FLORIDA	1125	NOKOMIS	180.	1	O	RO	1974	71	ISW	MPAL	W	ELEC
FLORIDA	1645	OCEAN REEF CLUB	930.	4	O	RO	1972	53	ISW	MPAL	W	ELEC
FLORIDA	1207	OCEAN TRAIL	25.	1	O	RO	1975	56	ISW	MPAL	W	ELEC
FLORIDA	1577	ORLANDO	25.	4	O	ED	1972	55	ISW	IND	W	ELEC
FLORIDA	1574	ORMOND BEACH	34.	1	O	RO	1973	88	ISW	MPAL	W	ELEC
FLORIDA	1090	ORMOND BEACH	173.	1	O	RO	1973	71	ISW	MPAL	W	ELEC
FLORIDA	1262	PALM BAY	120.	1	O	RO	1976	71	ISW	IND	W	ELEC
FLORIDA	1305	PALM BEACH GARDENS. R.C.A.	108.	1	O	RO	1975	72	ISW	IND	W	ELEC
FLORIDA	1211	PHEASANT WALK	150.	1	O	RO	1976	56	ISW	MPAL	W	ELEC
FLORIDA	1561	PINE ISLAND	550.	2	O	RO	1975	45	ISW	MPAL	W	ELEC
FLORIDA	1261	PONCE INLET	75.	1	C	RO	1976	71	ISW	MPAL	W	ELEC
FLORIDA	1307	PUNTA GORDA ISLE	95.	1	O	RO	1975	72	ISW	IND	W	ELEC
FLORIDA	1150	ROTONDA WEST. CAVANAUGH COMM.	500.	6	O	RO	1972	71	ISW	MPAL	W	ELEC
FLORIDA	1576	SANIBEL ISLAND	1200.	8	O	ED	1973	55	ISW	MPAL	W	ELEC
FLORIDA	1091	SARASOTA	116.	1	O	RO	1973	71	ISW	MPAL	W	ELEC
FLORIDA	1308	SARASOTA. RAMAR DOOLEY CONSTRUCT	100.	1	O	RO	1976	72	ISW	IND	W	ELEC
FLORIDA	1565	SARASOTA. SIESTA KEY	2000.	12	O	ED	1971	55	ISW	MPAL	W	ELEC
FLORIDA	1562	SARASOTA. SIESTA KEY	625.	0	C	RO	1974	43	ISW	MPAL	W	ELEC
FLORIDA	1306	SARASOTA. VAMO/PELICAN COVE	50.	1	O	RO	1975	72	ISW	IND	W	ELEC
FLORIDA	1578	SORRENTO UTILITIES	70.	2	O	EDR	1974	55	ISW	MPAL	W	ELEC
FLORIDA	1573	SOUTH BAY	34.	1	O	RO	1973	88	ISW	MPAL	W	ELEC
FLORIDA	1567	VENICE. SPANISH LAKES	72.	1	O	RO	1974	53	ISW	MPAL	W	ELEC

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STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
FLORIDA	1564	CITY OF VENICE	1000.	8	0	RO	1975	72	ISW	MPAL	W	ELEC
FLORIDA	1126	VERO BEACH	30.	1	0	RO	1974	71	ISW	MPAL	W	ELEC
FLORIDA	1303	VILLAGE GREEN MOBILE HOMES	30.	1	0	RO	1974	72	ISW	IND	W	ELEC
FLORIDA	1568	WEST PALM BEACH. ITT SEMICONDUCT	260.	1	0	RO	1974	53	ISW	IND	W	ELEC
GEORGIA	1579		36.	1	0	VC	1970	11	ISW	IND	W	ELEC
GEORGIA	3044		60.	1	0	VC	1973	11	ISW	IND	W	ELEC
GEORGIA	3045		60.	1	0	VC	1974	11	ISW	IND	W	ELEC
GEORGIA	1680	GEORGIA POWER	115.	1	0	ST	1956	45	ISW	P	W	STM
GEORGIA	1670	YATES	115.	1	0	ST	1957	45				
HAWAII	1055	KONA. HAWAII ISLAND	30.	1	0	EDR	1976	55	ISW	TOUR	W	ELEC
HAWAII	1695	OAHU. KAHE NO.1 HAW. ELEC.	53.	1	0	F	1962	95	ISW	P	W	OIL
HAWAII	1696	OAHU. KAHE NO.2 HAW. ELEC.	53.	1	0	F	1964	95	ISW	P	W	OIL
HAWAII	1697	OAHU. KAHE NO.3 HAW. ELEC.	48.	1	0	F	1968	95	ISW	P	W	OIL
HAWAII	1698	OAHU. KAHE NO.4 HAW. ELEC.	48.	1	0	F	1968	95	ISW	P	W	OIL
IDAHO	1316	IDAHO FALLS. AEROJET NUCLEAR CO.	35.	3	0	RO	1976	72	ISW	IND	W	ELEC
ILLINOIS	1347	CENTRAL ILLINOIS PUBLIC SERVICE	380.	2	C	RO	1977	19	ISW	P	W	ELEC
ILLINOIS	1713	CHICAGO HEIGHTS	25.	1	0	RO	1972	84	ISW	IND	W	ELEC
ILLINOIS	1183	FULTON COUNTY	475.	2	0	RO	1976	22	ISW	P	W	ELEC
ILLINOIS	1711	PARK FOREST SOUTH.JOHNSON & JOHN	114.	1	0	RO	1973	64	ISW	IND	W	ELEC
ILLINOIS	1712	ROCK ISLAND	144.	2	0	RO	1972	84	ISW	IND	W	ELEC
ILLINOIS	1710	SPRINGFIELD	32.	1	0	MSF	1963	79	ISW	IND	W	STM
INDIANA	1173	BRAZIL	40.	1	0	RO	1975	83	ISW	IND	W	ELEC
INDIANA	1263	GARY	216.	1	C	RO	1975	71	ISW	P	W	ELEC
INDIANA	1740	HILLSDALE	60.	1	0	RO	1972	72	ISW	MPAL	W	ELEC
INDIANA	1218	KOKOMO	130.	1	0	RO	1977	96	ISW	IND	W	ELEC
INDIANA	1149	MEDORA. EMCONNITE	72.	1	0	RO	1973	64	ISW	IND	W	ELEC
INDIANA	1871	NORTH WEBSTER	25.	1	0	RO	1972	83	ISW	IND	W	ELEC
INDIANA	1920	SOUTH BEND A	150.	1	0	ST	1956	45	ISW	P	W	STM
INDIANA	1930	SOUTH BEND B	150.	2	0	ST	1958	45	ISW	P	W	STM
INDIANA	1870	TANNERS CREEK	145.	1	0	ST	1961	45	ISW			
IOWA	1137	ALTA (MUNICIPAL)	400.	1	0	RO	1976	36	ISW	MPAL	W	ELEC
IOWA	2005	BURLINGTON	166.	1	0	F	1968	95	ISW	P	W	COAL
IOWA	2008	COUNCIL BLUFFS #3. IOWA P&L	210.	1	C	F	1976	95	ISW	P	W	COAL
IOWA	2006	GREENFIELD	150.	3	0	RO	1971	43	ISW	MPAL	W	ELEC
IOWA	2007	IOWA CITY	134.	1	0	RO	1973	88	ISW	IND	W	ELEC
IOWA	1181	OTTUMWA #1. IOWA UTILITIES	200.	1	C	F	1978	95	ISW	P	W	COAL
KANSAS	1202	GARDEN CITY	50.	1	0	RO	1973	84	ISW	IND	WP	ELEC
KANSAS	2010	HUTCHISON NO. 4 KP&L	57.	0	0	F	1965	95	ISW	P	W	GAS
KANSAS	1179	JEFFERY ENERGY CENTER #2. KP&L.	350.	2	C	F	1976	95	ISW	P	W	COAL
KANSAS	2022	LA CYGNE #2. KCP&L; KCG&E	180.	1	C	F	1974	95	ISW	P	W	COAL
KANSAS	2015	LAWRENCE NO.5	132.	1	0	F	1968	95	ISW	P	W	COAL
KANSAS	1214	ROSE HILL	85.	1	0	RO	1973	31	ISW	MPAL	W	ELEC
KENTUCKY	2020	LOUISA. BIG SANDY NO.1 KP&L	117.	1	0	F	1962	95	ISW	P	W	COAL
KENTUCKY	2021	OWENSBORO. ELMER SMITH STATION	60.	1	C	F	1972	95	ISW	P	W	COAL
KENTUCKY	2030	OWENSBORO NO. 2 ELMER SMITH STN.	58.	1	0	F	1964	95	ISW	P	W	COAL
KENTUCKY	2080	PARADISE NO. 1 TVA	209.	1	0	F	1963	95	ISW	P	W	COAL
KENTUCKY	2085	PARADISE NO. 2 TVA	209.	1	0	F	1963	95	ISW	P	W	COAL
KENTUCKY	2087	PARADISE NO. 3 TVA	173.	1	0	F	1968	95	ISW	P	W	COAL
LOUISIANA	1264	HOUMA	72.	1	0	RO	1976	71	ISW	IND	W	ELEC
LOUISIANA	2120	NEW ORLEANS C	80.	1	0	ST	1955	45	ISW	P	W	STM

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LOUISIANA	2190	ROY S. NELSON	144.	1	0	F	1968	95	ISW	P	W	GAS
LOUISIANA	1153	ST. GABRIEL	200.	1	0	RO	1972	71	ISW	P	W	ELEC
LOUISIANA	2195	VENICE	216.	1	0	MSF	1966	46	ISW	IND	W	STM
LOUISIANA	2185	WILLOW GLEN NO.3	144.	1	0	F	1968	95	ISW	P	W	GAS
LOUISIANA	2183	WILLOW GLEN NO.4	144.	1	0	F	1968	95	ISW	P	W	GAS
MAINE	1356	SOUTH PORTLAND. FAIRCHILD	120.	1	0	RO	1976	53	ISW	IND	W	ELEC
MASSACHUSETTS	2220	SOMERSET.BRAYTON POINT #1 NEPC	111.	0	0	F	1963	95	SW	P	W	COAL
MASSACHUSETTS	2230	SOMERSET.BRAYTON POINT #2 NEPC	111.	0	0	F	1964	95	SW	P	W	COAL
MASSACHUSETTS	2248	NORTH ANDOVER	350.	2	0	RO	1970	71	ISW	IND	W	ELEC
MASSACHUSETTS	1076	NORTH ANDOVER	259.	1	0	RO	1972	71	ISW	IND	W	ELEC
MASSACHUSETTS	2240	SPRINGFIELD	70.	1	0	ST	1956	45				
MASSACHUSETTS	2310	WATERTOWN	28.	1	0	RO	1971	71	ISW	IND	W	ELEC
MICHIGAN	1357	CONTINENTAL CAN CO.	60.	1	0	RO	1976	53	ISW	IND	W	ELEC
MICHIGAN	1168	DETROIT	30.	1	0	VC	1976	69	ISW	IND	W	ELEC
MICHIGAN	1272	KALAMAZOO. UPJOHN	120.	3	0	RO	1970	72	ISW	IND	W	ELEC
MINNESOTA	2500	MINNEAPOLIS	40.	1	0	ST	1957	45				
MINNESOTA	2499	MINNEAPOLIS	120.	1	0	RO	1970	71	ISW	IND	W	ELEC
MINNESOTA	2490	ST. PAUL	3.	1	0	ST	1959	45				
MINNESOTA	2491	ST. PAUL	43.	1	0	RO	1972	84	ISW	IND	W	ELEC
MINNESOTA	2510	TACONITE HARBOR	87.	2	0	ST	1955	45				
MISSISSIPPI	1170	CLEVELAND	140.	2	0	VC	1975	69	ISW	IND	W	ELEC
MISSISSIPPI	2530	GULF COAST STATION	100.	1	0	ST	1961	45	ISW	P	W	STM
MISSISSIPPI	2540	MISSISSIPPI POWER	85.	1	0	ST	1956	45	ISW	P	W	STM
MISSOURI	2555	ASBURY NO.1	86.	1	0	F	1968	95	ISW	P	W	COAL
MISSOURI	2560	KANSAS CITY	115.	1	0	ST	1956	45				
MISSOURI	2570	RAYTOWN	43.	1	0	ST	1959	45				
MISSOURI	1265	ST.LOUIS	129.	1	0	RO	1975	71	ISW	IND	W	ELEC
MISSOURI	1296	ST.PETER. MONSANTO	60.	1	0	RO	1973	72	ISW	IND	W	ELEC
MISSOURI	2550	SIBLEY	43.	1	0	ST	1960	45				
MONTANA	1325	COLSTRIP STN. MONTANA P&L	576.	2	0	VTVC	1976	4	WST	P	W	ELEC
MONTANA	2590	HAVRE (AF)	56.	1	0	ED	1956	55	ISW	MIL	W	ELEC
MONTANA	2600	SYDNEY	40.	1	0	ST	1957	45				
NEBRASKA	1166	LEXINGTON	78.	1	C	RO	1975	68	ISW	P	W	ELEC
NEBRASKA	2632	NORFOLK	165.	1	C	RO	1974	84	ISW	IND	W	ELEC
NEBRASKA	2620	OMAHA A	85.	1	0	ST	1961	45	ISW	P	W	STM
NEVADA	2634	CARSON CITY	45.	1	0	RO	1974	88	ISW		W	ELEC
NEVADA	2631	MOAPA. NEVADA POWER	158.	1	0	RO	1974	64	ISW	P	W	ELEC
NEVADA	3374	MOJAVE	754.	2	0	ST	1971	45	ISW	IND	W	COAL
NEVADA	1093	SUNRISE	95.	1	0	RO	1973	71	ISW	P	W	ELEC
NEW JERSEY	2635	BELL LABORATORIES	300.	3	0	EDR	1974	55	ISW	IND	W	ELEC
NEW JERSEY	1094	BORDENTOWN	65.	1	0	RO	1973	71	WST	IND	W	ELEC
NEW JERSEY	1128	BORDENTOWN	300.	1	0	RO	1974	71	WST	IND	W	ELEC
NEWJERSEY	1251	EDISON	28.	1	0	RO	1976	96	ISW	IND	W	ELEC
NEW JERSEY	1129	FLEMINGTON	46.	1	0	RO	1974	71	ISW	IND	W	ELEC
NEW JERSEY	2633	PRINCETON	94.	4	C	RO	1974	88	ISW	IND	W	ELEC
NEW JERSEY	1185	UNION	25.	1	0	RG	1971	22	ISW	IND	W	ELEC
NEW MEXICO	2740	ALBUQUERQUE A	50.	1	0	ST	1956	45	ISW	P	W	STM
NEW MEXICO	2750	ALBUQUERQUE B	40.	1	0	ST	1959	45	ISW	P	W	STM
NEW MEXICO	2738	ALBUQUERQUE. GTE LENKURT	25.	1	0	RO	1972	72	ISW	IND	W	ELEC
NEW MEXICO	2772	CARLSBAD. BAKER RESOURCES	432.	2	0	RO	1975	53	ISW	P	W	ELEC

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STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
NEW MEXICO	1047	CONCHAS LAKE. CONCHAS LAND	30.	1	C	RO	1977	36	ISW	IND	W	ELEC
NEW MEXICO	1318	FARMINGTON. SAN JUAN GEN. STN.	253.	1	O	VTVC	1974	4	WST	P	W	ELEC
NEW MEXICO	1326	FARMINGTON	432.	1	C	VTVC	1975	4	WST	IND	W	ELEC
NEW MEXICO	1197	FARMINGTON	648.	1	O	RO	1976	12	WST	P	WP	ELEC
NEW MEXICO	1189	FARMINGTON	648.	1	C	RO	1977	12	WST	P	WP	ELEC
NEW MEXICO	3046	HIDALGO	360.	1	C	MSF	1973	11	ISW	IND	W	STM
NEW MEXICO	2700	JAL	84.	1	O	ST	1959	45				
NEW MEXICO	1203	LOVINGTON	240.	3	O	RO	1974	10	ISW	IND	W	ELEC
NEW MEXICO	2720	NICHOLS	43.	1	O	ST	1960	45				
NEW MEXICO	2710	REEVES	25.	1	O	ST	1959	45				
NEW MEXICO	2771	SOCORRO WHITE SANDS	100.	0	O	ED	1970	55	ISW	MIL	W	ELEC
NEW YORK	2930	ASTORIA	440.	2	O	ST	1957	45				
NEW YORK	2941	AUBURN	70.	1	O	RO	1973	45	ISW	IND	W	ELEC
NEW YORK	2890	BARRET	115.	1	O	ST	1961	45				
NEW YORK	1313	BINGHAMPTON. GAF CORPORATION	43.	1	O	RO	1975	72	ISW	IND	W	ELEC
NEW YORK	2774	CHAZY	40.	2	C	ED	1972	55	ISW	IND	W	ELEC
NEW YORK	2780	HEMPSTEAD	576.	4	O	F	1975	7	SW	IND	W	RUB
NEW YORK	2910	INDIAN POINT	500.	2	O	ST	1959	45				
NEW YORK	2912	INDIAN POINT NO.2	144.	1	O	F	1968	95	ISW	P	W	URAN
NEW YORK	2914	INDIAN POINT NO.3	144.	1	O	F	1968	95	ISW	P	W	URAN
NEW YORK	2775	JUNIUS PONDS	40.	1	O	EDR	1974	55	ISW	TOUR	W	ELEC
NEW YORK	1176	MASSENA	50.	1	O	RO	1976	84	WST	IND	W	ELEC
NEW YORK	2900	NIAGARA FALLS	500.	3	O	ST	1956	45				
NEW YORK	1359	OSWEGO	75.	1	O	RO	1974	34	ISW	IND	W	ELEC
NEW YORK	2860	PORT JEFFERSON A	115.	1	O	ST	1961	45	ISW	P	W	STM
NEW YORK	2870	PORT JEFFERSON B	58.	1	O	ST	1959	45	ISW	P	W	STM
NEW YORK	2880	PORT JEFFERSON C	115.	1	O	ST	1959	45	ISW	P	W	STM
NEW YORK	1095	ROCHESTER	58.	1	O	RO	1973	71	ISW	IND	W	ELEC
NEW YORK	1163	ROCHESTER. EASTMAN KODAK	40.	1	O	RO	1975	64	ISW	IND	W	ELEC
NEW YORK	2940	STATEN ISLAND	220.	1	O	ST	1957	45				
NEW YORK	1167	VOLNEY	58.	1	C	RO	1976	68	ISW	IND	W	ELEC
NEW YORK	1253	WAPPINGER FALLS	144.	1	O	RO	1976	96	ISW	IND	W	ELEC
NEW YORK	1295	WEBSTER. XEROX	116.	0	O	RO	1973	72	ISW	IND	W	ELEC
NEW YORK	2773	YONKERS	30.	4	O	RO	1973	88	ISW	IND	W	ELEC
NORTH CAROLINA	3043		36.	1	O	VC	1972	11	ISW	IND	W	ELEC
NORTH CAROLINA	1266	CEDAR MOUNTAIN	28.	1	O	RO	1975	71	ISW	IND	W	ELEC
NORTH CAROLINA	1178	LENOIR	100.	2	O	RO	1975	84	WST	IND	W	ELEC
NORTH CAROLINA	1177	MEBANE	106.	2	O	RO	1975	84	WST	IND	W	ELEC
NORTH CAROLINA	1171	NORTH COVE	140.	2	O	VC	1975	69	ISW	IND	W	ELEC
NORTH CAROLINA	1215	SOUTHPORT	78.	1	O	RO	1973	31	ISW	P	WP	ELEC
NORTH CAROLINA	3040	WRIGHTSVILLE BEACH	50.	1	O	MSF	1967	11	SW	DEMO	W	STM
NORTH CAROLINA	3041	WRIGHTSVILLE BEACH	75.	1	O	VFVC	1973	18	SW	DEMO	W	ELEC
NORTH DAKOTA	3109	FORTUNA (AF)	85.	0	O	ED	1970	55	ISW	MIL	W	ELEC
NORTH DAKOTA	1096	LEEDS	100.	1	O	RO	1974	71	ISW	MPAL	W	ELEC
OHIO	3042		50.	1	O	VC	1971	11	ISW	IND	W	ELEC
OHIO	3150	A.E.P.	135.	1	O	ST	1956	45	ISW	P	W	STM
OHIO	1097	CLEVELAND	58.	1	O	RO	1974	71	WST	IND	W	ELEC
OHIO	1073	CLEVELAND. DAYS INN	36.	1	O	RO	1976	36	ISW	TOUR	W	ELEC
OHIO	3200	DAYTON A	80.	1	O	ST	1957	45	ISW	P	W	STM
OHIO	3210	DAYTON B	80.	1	O	ST	1956	45	ISW	P	W	STM

TABLE 1, CONTINUED

UNITED STATES

STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
OHIO	3132	DAYTON POWER & LIGHT	173.	1	O	RO	1973	64	ISW	P	W	ELEC
OHIO	1164	DAYTON POWER & LIGHT	173.	1	O	RO	1975	64	ISW	P	W	ELEC
OHIO	3170	KAMMER A	270.	2	O	ST	1956	45	ISW	P	W	STM
OHIO	3180	KAMMER B	140.	1	O	ST	1956	45	ISW	P	W	STM
OHIO	1132	MEDINA	33.	1	O	RO	1974	71	ISW	MPAL	W	ELEC
OHIO	3140	MUSKINGUM. OHIO POWER	140.	1	O	ST	1956	45	ISW	P	W	STM
OHIO	3131	NEW RICHMOND. CINCINNATI G&E	36.	1	O	RO	1973	64	ISW	IND	W	ELEC
OKLAHOMA	3213	FOSS RESERVOIR	3000.	18	O	ED	1974	55	ISW	MPAL	W	ELEC
OKLAHOMA	1267	OKLAHOMA CITY	360.	1	O	RO	1975	71	ISW	P	W	ELEC
OKLAHOMA	3211	OKLAHOMA CITY -SOUTH	144.	1	C	RO	1973	68	ISW	IND	W	ELEC
OKLAHOMA	3212	OKLAHOMA CITY -SOUTHWEST	144.	1	C	RO	1973	68	ISW	IND	W	ELEC
OKLAHOMA	1184	RED ROCK	1080.	2	C	RO	1976	22	ISW	P	W	ELEC
OKLAHOMA	1308	TULSA. LAKE COUNTRY MOBILE HOMES	60.	1	O	RO	1974	72	ISW	MPAL	W	ELEC
OREGON	1252	ALOHA	144.	1	O	RO	1976	96	ISW	IND	W	ELEC
OREGON	1298	BEAVERTON. TEKTRONIX INC.	86.	1	O	RO	1974	72	ISW	IND	W	ELEC
OREGON	1314	BEAVERTON. TEKTRONIX, INC.	30.	1	O	RO	1975	72	ISW	IND	W	ELEC
OREGON	3133	CORVALLIS	34.	1	O	RO	1973	88	ISW	IND	W	ELEC
OREGON	3134	PORTLAND	60.	2	O	RO	1973	92	ISW	IND	W	ELEC
PENNSYLVANIA	3371		50.	2	O	RO	1972	68	ISW	IND	W	ELEC
PENNSYLVANIA	1299	ALLENTOWN. BELL TELEPHONE LAB.	43.	1	O	RO	1974	72	ISW	IND	W	ELEC
PENNSYLVANIA	1147	ALLENTOWN. WESTERN ELECTRIC	216.	1	O	RO	1973	64	ISW	IND	W	ELEC
PENNSYLVANIA	3445	CLAIRTON U.S. STEEL	1440.	1	O	MSF	1968	95	ISW	IND	W	COAL
PENNSYLVANIA	1311	HASTINGS	115.	0	O	RO	1975	72	ISW	MPAL	W	ELEC
PENNSYLVANIA	1182	HOMER CITY	374.	2	O	RO	1973	22	ISW	P	W	ELEC
PENNSYLVANIA	1268	HOMER CITY	187.	1	C	RO	1976	71	ISW	IND	W	ELEC
PENNSYLVANIA	3372	LANSDALE	360.	2	C	RO	1974	45	ISW	IND	W	ELEC
PENNSYLVANIA	3373	LANSDALE	130.	1	C	RO	1974	45	ISW	IND	W	ELEC
PENNSYLVANIA	3332	MONACA	30.	1	O	RO	1975	53	ISW	IND	W	ELEC
PENNSYLVANIA	1250	MONTGOMERYVILLE	25.	1	O	RO	1977	96	ISW	IND	W	ELEC
PENNSYLVANIA	1309	NORRISTOWN. MOS TECHNOLOGY	36.	1	O	RO	1974	72	ISW	IND	W	ELEC
PENNSYLVANIA	1188	PHILADELPHIA	25.	1	O	RO	1972	22	ISW	DEMO	W	ELEC
PENNSYLVANIA	3330	PHILADELPHIA ELEC. RICHMOND STN	144.	1	O	MSF	1960	95	ISW	P	W	COAL
PENNSYLVANIA	3340	PHILADELPHIA ELEC. CHESTER STN.	101.	1	O	MSF	1962	95	ISW	P	W	COAL
PENNSYLVANIA	3410	PITTSBURGH	440.	1	O	MSF	1968	11	ISW	IND	W	STM
PENNSYLVANIA	3390	PITTSBURGH ALCOA	122.	1	O	ST	1956	45				
PENNSYLVANIA	3400	PITTSBURGH. PHILLIP SPORN	30.	1	O	ST	1955	45	ISW	P	W	STM
SOUTH CAROLINA	3531	CHARLESTON	175.	2	O	RO	1974	84	ISW	IND	W	ELEC
SOUTH CAROLINA	3530	GREENWOOD	55.	1	O	ST	1957	45				
SOUTH CAROLINA	1269	ROCKVILLE	30.	1	O	RO	1975	71	ISW	P	W	ELEC
SOUTH CAROLINA	1216	SPARTANBURG	120.	1	C	RO	1977	31	ISW	IND	W	ELEC
TENNESEE	3600	BRISTOL	56.	1	O	RO	1971	71	ISW	IND	W	ELEC
TENNESSEE	3610	EDGEMOOR. BULL RUN NO.1 TVA	170.	0	O	F	1965	95	ISW	P	W	COAL
TENNESSEE	3630	GALLATIN	300.	2	O	ST	1958	45				
TENNESSEE	3632	NUCLEAR POWER PLANT	120.	2	C	RO	1974	68	WST	IND	W	ELEC
TENNESSEE	3620	WIDOWS CREEK	210.	1	O	ST	1960	45				
TEXAS	3905		880.	0	O	ED	1969	55	ISW	IND	W	ELEC
TEXAS	1198	AMARILLO	100.	2	O	RO	1975	10	ISW	P	W	ELEC
TEXAS	1221	AUSTIN	288.	1	O	RO	1976	96	ISW	IND	W	ELEC
TEXAS	1302	AUSTIN. MOTOROLA SEMICONDUCTOR	200.	0	O	RO	1974	72	ISW	IND	W	ELEC
TEXAS	3708	AUSTIN. TEXAS INSTUMENTS	115.	0	O	RO	1976	53	ISW	IND	W	ELEC

TABLE 1. CONTINUED

UNITED STATES

STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SO	FUEL
TEXAS	1192	BIG SPRING	65.	1	0	RO	1974	12	WST	IND	W	ELEC
TEXAS	1193	BIG SPRING	864.	1	0	RO	1975	12	WST	IND	W	ELEC
TEXAS	1187	BORGER	58.	1	0	RO	1971	22	ISW	P	W	ELEC
TEXAS	3875	BROWNSVILLE	288.	1	0	MSF	1968	45	SW	IND	W	OIL
TEXAS	1099	CAMERON CITY	150.	1	0	RO	1974	71	ISW	MPAL	W	ELEC
TEXAS	1154	CARROLTON	58.	1	0	RO	1972	71	ISW	IND	W	ELEC
TEXAS	1100	CARROLTON	216.	1	0	RO	1974	71	ISW	IND	W	ELEC
TEXAS	3720	CHOCOLATE BAYOU. MONSANTO	762.	1	0	MSF	1962	95	ISW	IND	W	GAS
TEXAS	3375	COLLEGE STATION	58.	1	0	ST	1963	46	ISW		W	
TEXAS	1181	COLORADO CITY	43.	1	0	RO	1973	22	ISW	P	W	ELEC
TEXAS	1222	CORPUS CHRISTI	216.	2	0	RO	1974	96	ISW	IND	W	ELEC
TEXAS	1346	CORPUS CHRISTI. GOOSE IS. EST.	125.	1	C	RO	1977	45	ISW	MPAL	W	ELEC
TEXAS	3865	DALLAS. TEXAS INSTRUMENTS	1130.	9	0	RO	1970	53	ISW	IND	W	ELEC
TEXAS	3966	DALLAS. UNIV.TEXAS MED.SCHOOL	30.	1	0	RO	1974	36	ISW	MPAL	W	ELEC
TEXAS	1121	DALLAS	108.	1	0	RO	1974	71	ISW	P	W	ELEC
TEXAS	3840	DALLAS A	74.	1	0	ST	1957	45	ISW	P	W	STM
TEXAS	3945	DELL CITY	50.	2	0	ED	1967	55	ISW	MPAL	W	ELEC
TEXAS	1145	DELL CITY	100.	1	0	EDR	1976	55	ISW	MPAL	W	ELEC
TEXAS	3709	DIAMOND HEAD	100.	1	0	EDR	1975	55	ISW	MPAL	W	ELEC
TEXAS	1122	EARTH	50.	1	0	RO	1973	71	ISW	P	W	ELEC
TEXAS	3790	EL PASO A	30.	1	0	ST	1956	45	ISW	P	W	STM
TEXAS	3800	EL PASO B	40.	1	0	ST	1956	45	ISW	P	W	STM
TEXAS	1072	EL PASO ELECTRIC	288.	1	0	RO	1975	30	ISW	P	W	ELEC
TEXAS	1049	EL PASO. PHELPS DODGE	46.	1	0	RO	1973	36	ISW	IND	W	ELEC
TEXAS	1048	FABENS. CATTLEMAN'S RESTAURANT	36.	1	0	RO	1975	36	ISW	TOUR	W	ELEC
TEXAS	3760	GRAND PRAIRIE	160.	1	0	ST	1959	45	SW	IND	W	COAL
TEXAS	1312	GREGORY. H.K.FERGUSON CO.	792.	0	0	RO	1975	72	ISW	IND	W	ELEC
TEXAS	3730	HANDLEY NO. 3. TEXAS ELECTRIC SE	144.	1	0	F	1963	95	ISW	P	W	GAS
TEXAS	3870	HOUSTON	90.	1	0	ST	1955	45				
TEXAS	3702	HOUSTON	25.	1	0	RO	1972	84	ISW	IND	W	ELEC
TEXAS	1161	HOUSTON	30.	1	0	RO	1974	66	ISW	IND	W	ELEC
TEXAS	1191	HOUSTON	25.	1	0	RO	1976	12	WST	IND	W	ELEC
TEXAS	3963	HOUSTON. UNIV. OF TEXAS	36.	2	0	RO	1975	36	ISW	MPAL	W	ELEC
TEXAS	3705	HOUSTON WARREN PETROLEUM	118.	1	0	RO	1974	53	ISW	IND	W	ELEC
TEXAS	1186	LUBBOCK	25.	1	0	RO	1971	22	WST	P	W	ELEC
TEXAS	1217	LUBBOCK	860.	2	0	RO	1973	31	ISW	IND	WP	ELEC
TEXAS	1199	LUBBOCK	30.	2	0	RO	1975	10	ISW	P	W	ELEC
TEXAS	1219	LUBBOCK	325.	1	0	RO	1977	96	ISW	IND	W	ELEC
TEXAS	1045	LUBBOCK. DEVRO	100.	1	0	RO	1976	36	ISW	IND	W	ELEC
TEXAS	1046	LUBBOCK. DEVRO	144.	1	0	RO	1977	36	ISW	IND	W	ELEC
TEXAS	1344	LUBBOCK. TEXAS INSTRUMENTS	320.	3	0	RO	1976	53	ISW	IND	W	ELEC
TEXAS	1345	LUBBOCK. TEXAS TECH. UNIV.	144.	0	C	RO	1977	53	ISW		W	ELEC
TEXAS	1363	MATAGORDA COUNTY. HOUSTON L&P	317.	1	C	RO	1977	30	ISW	P	W	ELEC
TEXAS	3901	MONAHANS	28.	1	0	RO	1970	71	ISW	P	W	ELEC
TEXAS	3750	OAK CREEK	45.	1	0	ST	1960	45	SW	IND	W	COAL
TEXAS	3701	ODESSA	400.	1	0	VTE	1971	45	ISW	IND	W	STM
TEXAS	3710	PORT MANSFIELD	250.	1	0	ED	1965	55	ISW	MPAL	W	ELEC
TEXAS	3770	SEALY SMITH	29.	1	0	ST	1959	45				
TEXAS	3955	TEXAS CITY. UNION CARBIDE	2160.	2	0	MSF	1967	95	ISW	IND	WP	GAS
UTAH	3960	LAKESIDE. HILL AFB	40.	1	0	VC	1964	11	ISW	MIL	W	OIL

TABLE 1. CONTINUED

UNITED STATES

STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
UTAH	3959	LAKESIDE. HILL AFB	50.	1	O	RO	1974	53	ISW	MIL	W	ELEC
UTAH	3965	MAGNA	59.	1	O	ED	1967	55	ISW	IND	W	ELEC
UTAH	1172	OGDEN	30.	1	O	VC	1976	69	ISW	IND	W	ELEC
UTAH	1320	PRICE. HUNTINGTON STN. UTAH P&L	260.	1	O	VTVC	1974	4	WST	P	W	ELEC
UTAH	3962	SALT LAKE. SIGNETICS CORP.	144.	1	O	RO	1973	36	ISW	IND	W	ELEC
UTAH	1139	SALT LAKE. NATIONAL LEAD	248.	1	O	RO	1976	36	ISW	IND	W	ELEC
UTAH	1254	WEST JORDAN	600.	3	O	RO	1976	96	ISW	IND	W	ELEC
VIRGINIA	1169	ALTA VISTA	100.	2	O	VC	1974	69	ISW	IND	W	ELEC
VIRGINIA	4030	BREMO	64.	1	O	ST	1957	45				
VIRGINIA	4020	CHESTERFIELD	81.	1	O	ST	1959	45				
VIRGINIA	4025	CHESTERFIELD NO.1	260.	1	O	F	1968	95	ISW	P	W	COAL
VIRGINIA	1156	LYNCHBURG. GENERAL ELECTRIC	36.	1	O	RO	1973	64	ISW	IND	W	ELEC
VIRGINIA	1271	LYNCHBURG	87.	1	O	RO	1975	71	ISW	P	W	ELEC
VIRGINIA	3979	MANASSAS	288.	2	O	RO	1970	71	ISW	IND	W	ELEC
VIRGINIA	4051	NORTH ANNA NO.1	176.	1	C	F	1973	95	ISW	P	W	URAN
VIRGINIA	4052	NORTH ANNA NO.2	176.	1	C	F	1974	95	ISW	P	W	URAN
VIRGINIA	4010	PORTSMOUTH	100.	1	O	ST	1960	45				
VIRGINIA	3980	DUMFRIES. POSSUM POINT A	100.	1	O	ST	1960	45	SW	IND	W	COAL
VIRGINIA	4000	DUMFRIES. POSSUM POINT #4. VE&P	187.	1	O	F	1962	95	ISW	P	W	COAL
VIRGINIA	4054	DUMFRIES. POSSUM POINT #5. VE&P	330.	1	C	F	1974	95	ISW	P	W	COAL
VIRGINIA	4053	SURRY NO.1	173.	1	O	F	1968	95	ISW	P	W	URAN
VIRGINIA	4055	SURRY NO.2	173.	1	O	F	1968	95	ISW	P	W	URAN
VIRGINIA	1148	RADFORD. HERCULES AMMUNITION	75.	2	O	RO	1973	64	WST	MIL	W	ELEC
WEST VIRGINIA	4130	A.E.P. A	140.	1	O	ST	1956	45	ISW	IND	W	COAL
WEST VIRGINIA	4140	A.E.P. B	720.	3	O	ST	1954	45	ISW	IND	W	COAL
WEST VIRGINIA	4150	A.E.P. C	470.	6	O	ST	1952	45	ISW	IND	W	COAL
WEST VIRGINIA	4170	GLASGOW	100.	1	O	ST	1952	45	ISW	IND	W	COAL
WEST VIRGINIA	1081	HARRISON	360.	1	O	RO	1973	71	ISW	P	W	ELEC
WEST VIRGINIA	1358	MORGANTOWN. UNIV. WEST VIRGINIA	60.	1	O	RO	1973	53	WST	DEMO	W	ELEC
WEST VIRGINIA	4100	MOUNT STORM NO. 1 VE&P	328.	1	O	F	1965	95	ISW	P	W	COAL
WEST VIRGINIA	4110	MOUNT STORM NO. 2 VE&P	328.	1	O	F	1966	95	ISW	P	W	COAL
WEST VIRGINIA	4081	MOUNT STORM NO. 3 VE&P	200.	1	C	F	1973	95	ISW	P	W	COAL
WEST VIRGINIA	4160	OHIO VALLEY ELECTRIC	50.	1	O	ST	1954	45	ISW	IND	W	COAL
WISCONSIN	4211	MILWAUKEE	25.	1	O	RO	1973	83	ISW	IND	W	ELEC
WISCONSIN	1174	WAUKESHA	40.	1	O	RO	1975	83	ISW	IND	W	ELEC
WYOMING	4225	GILLETTE	1500.	7	O	ED	1972	55	ISW	MPAL	W	ELEC
WYOMING	1276	GILLETTE	760.	0	C	RO	1975	71	WST	IND	W	ELEC
WYOMING	1201	WHEATLAND	864.	2	C	RO	1977	10	ISW	P	W	ELEC
UNITED STATES	1363		43.	1		RO	1975	3	ISW	IND	W	ELEC
UNITED STATES	1360		80.	1		RO	1976	3	ISW	MPAL	W	ELEC

481 PLANTS IN REGION. TOTAL REGION CAPACITY:100282. THOUSAND U.S. GALLONS PER DAY.

REGION
UNITED STATES TERRITORIES

STATE OR COUNTRY	IDENT	LOCATION OR OPERATOR	CAPACITY 1000 GPD	UNITS	STA-TUS	TYPE	YEAR	MFR	WATER FEED	USE	SD	FUEL
ANTARCTICA	4438	MCMURDO SOUND. U.S.NAVY	29.	2	O	MSF	1972	7	SW	MIL	W	STM
CENTRAL PACIFIC	4432	JOHNSTON ISLAND	150.	1	O	MSF	1964	11	SW	MIL	W	STM
MARIANAS ISLANDS	4437	SAIPAN ISLAND	30.	1	O	VC	1973	69	SW	TOUR	W	OIL
MARSHALL ISLANDS	4435	KWAJALEIN. U.S.CORPS. ENG.	250.	1	O	MSF	1967	45	SW	MIL	W	OIL
NORTH PACIFIC	4500	WAKE ISLAND. AIR FIELD	100.	2	O	MSF	1959	11	SW	MIL	W	STM
PUERTO RICO	4011		42.	1		RO	1973	3	ISW	IND	W	ELEC
PUERTO RICO	4444	CULEBRA ISLAND	45.	3	O	VC	1971	35	SW	MPAL	W	ELEC
PUERTO RICO	1133	MANITI	87.	1	O	RO	1974	71	ISW	MPAL	W	ELEC
PUERTO RICO	5003	MANITI	79.	1	O	RO	1975	71	ISW	IND	W	ELEC
PUERTO RICO	5006	MOTOROLA SEMICONDUCTOR	42.	1	O	RO	1974	72	ISW	IND	W	ELEC
PUERTO RICO	4445	PONCE	1267.	2	O	MSF	1970	11	SW	IND	W	STM
PUERTO RICO	5050	PONCE	1267.	2	C	MSF	1973	11	SW	IND	W	STM
PUERTO RICO	4439	SAN GERMAN	27.	2	O	RO	1972	88	ISW	IND	W	ELEC
VIRGIN ISLANDS	4462	FRENCHMANS REEF. HOLIDAY	80.	2	O	MSF	1973	7	SW	TOUR	W	STM
VIRGIN ISLANDS	4464	ST. CROIX	100.	1	O	MSF	1970	11	SW	TOUR	W	STM
VIRGIN ISLANDS	4488	ST. CROIX. GRAPETREE BAY HOTEL	100.	1	O	MSF	1967	45	SW	TOUR	W	OIL
VIRGIN ISLANDS	4479	ST. CROIX. HARVEY ALUMINUM	1250.	1	O	MSF	1972	95	SW	IND	WP	OIL
VIRGIN ISLANDS	4480	ST. CROIX. HARVEY ALUMINUM	1500.	1	O	MSF	1965	95	SW	IND	WP	OIL
VIRGIN ISLANDS	4485	ST. CROIX. HESS OIL NO.1	172.	1	O	MSF	1966	95	SW	IND	W	OIL
VIRGIN ISLANDS	4486	ST. CROIX. HESS OIL NO.2	350.	1	O	MSF	1968	11	SW	IND	W	STM
VIRGIN ISLANDS	4487	ST. CROIX. HESS OIL NO.3	1250.	1	O	MSF	1972	95	SW	IND	W	OIL
VIRGIN ISLANDS	4463	ST. CROIX. HESS OIL	1250.	1	C	MSF	1975	95	SW	IND	WP	OIL
VIRGIN ISLANDS	5017	ST. CROIX. SCHUSTER WATER SERVIC	70.	2	O	RO	1973	38	ISW	MPAL	W	ELEC
VIRGIN ISLANDS	4478	ST. CROIX. V.I. WATER & POWER	1000.	1	O	VTE	1968	78	SW	MPAL	WP	OIL
VIRGIN ISLANDS	4477	ST. CROIX. V.I.WATER & POWER	2250.	1	O	VTE	1975	45	SW	MPAL	W	OIL
VIRGIN ISLANDS	4450	ST. THOMAS. CHARLOTTE AMALIE A	1000.	1	O	MSF	1965	95	SW	MPAL	WP	OIL
VIRGIN ISLANDS	4460	ST. THOMAS. CHARLOTTE AMALIE B	275.	1	O	MSF	1962	11	SW	MPAL	WP	STM
VIRGIN ISLANDS	4452	ST. THOMAS. V.I. WATER & POWER	2250.	1	O	VTE	1975	45	SW	MPAL	W	OIL
VIRGIN ISLANDS	4475	ST. THOMAS. V.I. WATER & POWER	2500.	1	O	MSF	1967	45	SW	MPAL	WP	OIL

29 PLANTS IN REGION. TOTAL REGION CAPACITY: 18812. THOUSAND U.S. GALLONS PER DAY.

EXPLANATION OF CODES AND SYMBOLS

CAPACITY Design capacity in 1,000 U.S. gallons per day.

UNITS Number of units in a plant. A unit is a single process stream that can be operated independently. A plant consists of one or more identical units ordered at the same time and installed at a single site. An entry of zero means information not available.

STATUS
C - Plant under construction
O - Plant in operation

TYPE Type of desalting process used in the plant:

Distillation

F - Single-stage Flash	HTE - Thin film Horizontal Tube
MSF - Multi-stage Flash	ST - Submerged Tube
VTE - Thin film Vertical Tube	Vc - Vapor Compression
VTMF - Vertical Tube Evaporator - Multistage Flash	
VTVC - Vertical Tube-Vapor Compression	

Membrane

ED - Electrodialysis
EDR - Electrodialysis-Reversing
RO - Reverse Osmosis

Freezing

VFVC - Vacuum Freezing-Vapor Compression

YEAR Year of beginning operation or year when construction initiated. An entry of zero means information not available.

WATER FEED
SW - Sea Water
ISW - Inland or Brackish Water
WST - Waste Water

USE

MPAL - Municipal	TOUR - Tourism
IND - Industrial	DEMO - Demonstration
P - Power	MIL - Military
	DIS - Discharge

SD Single or dual purpose: W - Water Plant only
WP - Water and Power

FUEL

COAL	RUB - Rubbish
GAS	STM - Steam
OIL	URAN - Uranium
ELEC - Electricity	CW - Cooling water and exhaust gas from diesel engine

MFR Manufacturer of the plant. A list of code numbers and the manufacturing organizations appears in the following page.

THERMAL RESEARCH

Senator McCLURE. Why was thermal distillation research greatly reduced in 1973?

Mr. COBB. I think the view was held at the time that the technology had developed to the point where it was ready for commercialization; that industry would pick up the technology and would start selling it where markets existed; and there was little additional gain, technologically—in improving the technology.

Further, I think, frankly, there was a view that there was too limited a market and perhaps it was time that the Federal Government just ceased making an investment in this area.

Senator McCLURE. Have we seen a continuation of R. & D. efforts, or research, by private industry, or by non-Federal research institutes, or, when the Federal Government reduced its level of research, was the total level of research reduced?

Mr. COBB. When the Federal Government reduced its level of research in 1973, and phased out work in multistage flash distillation technology, private industry did not pick up any additional research in that area. In fact, ultimately, we lost the market to the Japanese and the Europeans.

Senator McCLURE. I was going to ask if, as a matter of fact, other nations have moved ahead with this technology.

Mr. COBB. Yes, they have.

Senator McCLURE. Is that by national institutes? By Government programs?

Mr. COBB. It's a mix of both: it's Government and industry working together.

Senator McCLURE. What kind of a mix, do you know?

Mr. COBB. It varies, Mr. Chairman. We have some information on that, Mr. Chairman. I would like to provide that for the record.

Senator McCLURE. If you would, I'd be interested in that.

[The information follows:]

MIX OF FOREIGN GOVERNMENT AND INDUSTRY DESALTING R. & D. BUDGETS

Assistance to industry in some foreign countries is provided in the form of Government-backed loans and bid and performance bond guarantees to facilitate response to international tenders for desalting equipment. These types of support encourage the industry to grow and provide incentives for privately financed R. & D. In addition, some governments support and coordinate desalting R. & D. through provisions of central test facilities (for example, Japan and France), support of special projects with Government grants (for example, Germany), and direct Government programs (for example, Israel, South Africa, and France). OWRT is aware of Government-supported programs in Russia; however, it is difficult to obtain details. Based on a limited ability to obtain comprehensive data on foreign programs, OWRT has made the following estimates on current annual funding for desalination R. & D.:

Israel:	
Government	$5,000,000
Private	0
South Africa:	
Government	800,000
Private	0
Japan:	
Government	20,000,000
Private	10,000,000
France:	
Government	1,200,000
Private	3,000,000
Germany:	
Government	5,000,000
Private	4,000,000

In addition, Chemical Engineering magazine, in its December 1, 1980 issue, reported that the five leading Japanese chemical companies requested the Japanese government to appropriate $123.8 million over the next 10 years for a special effort on polymer research and development, an integral aspect of RO and ED membranes. Also, we are aware that the West German government has invested approximately $25 million in a distillation demonstration plant.

The estimate given for France is low. Desalination R. & D. in France is carried out by an organizational unit within France's atomic energy agency. Its distillation test facility is located at a French naval base. France's leading manufacturer, SIDEM, is a government/private partnership with the head of the government's program serving also in the SIDEM organization. Government and private contributions to R. & D. are mixed and difficult to determine or separate.

Desalting manufacturing also occurs in Great Britain, the Netherlands, Switzerland, Sweden, and Italy. The amounts of government support are not known. Italian support is thought to be high, although indirect.

CORROSION AND SCALE PROBLEMS

Senator McCLURE. In your opinion, how far away are we from solving the corrosion and scale formation problems? Any closer now than we were in 1973?

Mr. COBB. I'd like to ask our Acting Assistant Director, Will Hahn, to explain this.

Senator McCLURE. Would you provide your name for the record, please?

Mr. HAHN. My name is Will Hahn—H-a-h-n. Mr. Chairman, I'm not sure that the United States has demonstrated the ability to approach scale and corrosion control to the extent other countries have.

Senator McCLURE. Have they gone forward since 1973 and advanced the State of the art beyond what it was here in 1973?

Mr. HAHN. Yes, sir. The primary efforts are being made in using proprietary scale control additives that allow for scale control without a change in pH or lowering of the pH. The low pH that we had in our technology using sulphuric acid in scale control was detrimental to corrosion effects in the plants. The new proprietary compounds that are coming out throughout the world, now, are enabling plants to operate at a higher pH, with scale control, and less corrosion.

Senator McCLURE. It sounded like the proprietary compounds were developed, since they are proprietary—developed by industry.

Mr. HAHN. Yes, sir, by industry, in other countries, and also some of our own companies are catching up, such as Drew Chemical, Dow, and Pfizer Chemical.

Senator McCLURE. So there has been some additional research done in the private sector in this country, and some advancement in the state of the art in this country, even after the reduction of the Federal involvement?

Mr. HAHN. Yes, sir. The primary problem with distillation in the United States is that there isn't a market in this country. I think that was perceived in 1973, also, for the Federal involvement in that program. The market is overseas.

Senator McCLURE. Primarily where?

Mr. HAHN. In the Middle East.

Senator McCLURE. Is that because they have oil or because they have no water, or is it a combination of both?

Mr. HAHN. They have money and no water. I heard a little quip about somebody in Kuwait who took his car, some years back, and bought gasoline for 6 cents a gallon but then had his radiator filled up with water for 30 cents a gallon.

Senator McCLURE. I've done the same thing in some of the dry sectors of the United States where I paid much more per gallon for water than I did for gasoline.

Mr. HAHN. Yes, sir.

INDIRECT AND EUTECTIC FREEZING PLANTS

Senator McCLURE. In what stages of development are the 6,000 gallon-per-day indirect freezing plant at Wrightsville and eutectic freezing plant at Roswell. I again ask Mr. Hahn to respond to that question.

Mr. HAHN. Yes, Mr. Chairman. The 6,000 gallon-per-day indirect freezing plant is being built in Chicago at the vendor's shop. It will be completed in May of this year and tested at his shop for shipment to Wrightsville Beach, N.C. The eutectic freezing pilot plant is being built in Florida, in Pensacola, and will be shipped to Roswell, N. Mex., for testing in August of this year.

Senator McCLURE. How much has been spent to date in percentage of total funds for each of those two projects?

Mr. HAHN. For each of those particular projects you mean through the research up to the pilot plant?

Senator McCLURE. How much has been spent? Where are we in terms of percentage of expenditure for completion of plants.

Mr. COBB. Completion of the plants and operation over a test period?

Senator McCLURE. Yes.

Mr. HAHN. The eutectic freezing pilot plant was contracted for about $400,000. That would comprise 80 percent of the total plant at Roswell.

Senator McCLURE. Eighty percent?

Mr. HAHN. Yes.

Senator McCLURE. Those contracts, they have been signed and are being executed now?

Mr. HAHN. Yes, sir. Probably 80 percent of the funds have been expended.

Senator McCLURE. The Wrightsville plant; do you know?

Mr. HAHN. The Wrightsville plant is probably close to 90 percent complete. The purchased components are being put together at this point.

Senator McCLURE. Do the economics indicate that the private sector might be willing to, or likely to, undertake the advancement of those technologies?

Mr. COBB. Mr. Chairman, let me answer that first. Then I'd ask Mr. Hahn for his opinion as well.

Because freeze technology is in such an early stage of development, it's my opinion that industry will not pick it up for a long time without Federal Government support.

Senator McCLURE. Because it's in a new technology or because of the economics?

Mr. COBB. Because it's in the early phase of development. Even though freezing potentially offers the greatest economy in terms of cost of water, it's going to take years to develop the technology to the point that it's technologically and economically viable.

Senator McCLURE. The promise is theoretical, then?

Mr. COBB. It's just a long-range benefit. It's a problem of long-range benefits and extensive development costs.

Senator McCLURE. The reason I asked that question is obviously that if the economics are that apparent, why isn't somebody willing to invest in it? If the economics are not that obvious, the answer is somewhat more speculative with respect to the economics.

Mr. COBB. I think the economics are confirmed in terms of the potential efficiency of this technology. It's just that there are extensive development activities which have to take place.

Senator McCLURE. You're talking about potential and then you're talking about theoretical rather than——

Mr. COBB. Yes, Mr. Chairman, it is theoretical.

Senator McCLURE. And the private sector has not confirmed that as yet by their willingness to invest in it.

Mr. COBB. By their willingness to invest, yes, Mr. Chairman.

Senator McCLURE. You started to say something else.

Mr. COBB. Mr. Chairman, I thought your question was going to be: and the private sector does not agree with the potential of this technology. I was going to ask Mr. Hahn to just very briefly summarize the symposium that we had, made up of the private sector, in which I think there is general consensus that freeze technology offers a very efficient——

Senator McCLURE. Mr. Hahn, was the private sector interested in the symposium; interested enough to send their people there to listen and find out whether or not you'd found something they could pick up and commercialize, or was it more than that?

Mr. HAHN. At the last freezing symposium you're mentioning?

Senator McCLURE. Yes.

Mr. HAHN. There was a great deal of private interest, private company interest. Much of it was in the area of the chemical process industries where they are looking for innovative solutions to some of their recycle problems. Some of their in-plant streams are not amenable to treatment or to recycle by standard technology.

Senator McCLURE. Does that interest indicate that they are investigating those technologies or does their interest indicate that they're just curious to know whether you've found something that they haven't yet found?

Mr. HAHN. They are curious about a solution to their problem, and they're not investigating, particularly, new technologies. They're looking for an answer from the desalting technology.

Senator MCCLURE. They're looking for an answer but they're looking to see whether you found an answer.

Mr. HAHN. That's true.

Senator MCCLURE. They're not investing their own money in the same directions to see whether an answer can be found?

Mr. HAHN. No, that's true. I would like to point out that this is the case for indirect freezing, which is essentially a breakthrough in freezing processes from a simplicity standpoint. In the past, freezing development has been hindered because the equipment is a little more complicated. The company that is working with us on that project is providing essentially 50 percent of the funding. And it can be anticipated that it will continue to work alone, at least with limited efforts, if we were not to continue on that project.

Senator MCCLURE. You're getting 50 percent funding on that?

Mr. HAHN. Yes, we are.

Senator MCCLURE. From the private sector?

Mr. HAHN. Yes.

Senator MCCLURE. Is the interest primarily in industrial processes?

Mr. HAHN. The initial interest would be in the industrial processes, yes, sir.

Senator MCCLURE. I have just a few further questions.

TECHNOLOGY TRANSFER PROJECTS

On pages 66 and 67 of the justification you list a number of technology transfer products developed and distributed by OWRT. For the record, will you please provide a priority rating for each of the available products, as well as the fiscal year 1981 and the projected fiscal year 1982 cost of each.

Mr. COBB. Yes, Mr. Chairman.

[The information follows:]

PRIORITY RATING AND COST OF TECHNOLOGY TRANSFER PRODUCTS

Ranking	Product	Fiscal year 1981 cost	Number planned	Fiscal year 1982 cost	Number planned
1	Capsule reports	$70,000	3	$100,000	4
2	Technical update reports	50,000	1	95,000	2
3	Water resource manuals	95,000	1	225,000	2
4	Summary reports	25,000	1	50,000	2
5	Technical update bulletins	115,000	2	120,000	2
6	Seminars, workships, and conferences	100,000	7	100,000	7
7	Research report series	11,000	15	15,000	20
8	Description sheets	14,000	6	15,000	6
9	Audiovisual program of presentations	20,000	1	30,000	2

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COMPREHENSIVE MANUALS

Senator McCLURE. You've requested a fiscal year 1982 increase of $250,000 in the technology transfer account which you intend to use for just two projects. In light of the fact that you spent $500,000 in fiscal year 1981 for the many other things you produce and disseminate, why are these two projects costing so much?

Mr. COBB. Mr. Chairman, I think there may be some problem here. Maybe our projects are stated in the generic sense. I can't believe that two specific problems would cost that much.

Senator McCLURE. I'm looking at the bottom of page 69 of the justification, if you would like to refer to it, because it says, "The $250,000 increase requested will be used to support two projects of this type," and they're described on the bottom of page 69 and the top of page 70.

Mr. JENSEN. Both of these are comprehensive manuals that provide technical experts with the ability to use these technologies. We have found that these manuals are very expensive projects and we have not produced many in the past.

Mr. COBB. Ray, I think the answer to the chairman's question is that we use various types of products in the technology transfer program. We have capsule reports, we have extensive technical manuals, we have factsheets. Some of these things are relatively inexpensive. Technical manuals are our most expensive products.

Senator McCLURE. What's the difference between the manuals you put out now and almost everything else? The total cost is almost twice of those two products.

Mr. JENSEN. Up to now we've produced, I believe, two or three technical manuals, some of which we've entirely funded.

Mr. COBB. Mr. Chairman, I understand your question. May I respond for the record and let me do it this way. Let me give you the cost of technical manuals in the past as compared to these projects and see if there is something inconsistent. It doesn't appear to be quite right.

Senator McCLURE. That was my impression. If there is an explanation, I'd like to have it.

Mr. COBB. It seems inconsistent to me, also, Mr. Chairman.

[The information follows:]

COST OF SIMILAR TECHNICAL MANUALS

The Reverse Osmosis Technical Manual, completed in 1979, and the Community Planning for Water Resources Management Guidebook, completed in 1980, cost $95,000 and $83,000 respectively. These costs do not include summary reports which range from $10,000 to $20,000. Similar manuals, such as the Land Treatment Design Manual prepared by the Environmental Protection Agency, have cost upward of $200,000.

The $250,000 estimated by OWRT for two technical manuals on water reuse and recycling and computer graphics and their associated summary reports in 1982 is reasonably accurate. The main cost elements in manual preparation are the comprehensive evaluation of the reuse field including all OWRT work plans and other related efforts. Normally, a minimum of 2 man-years of professional effort are required for this type of manual in addition to clerical and nonprofessional support. The quality of the evaluations of completed research must be of the highest order as manuals of this type are often used as the basis for major investments of public funds.

Progress in the OWRT water reuse program has been considerable and significant, but if it is to be of any value this information must be effectively transferred to potential users. The proposed manual will extract the usable results from a broad array of

completed research. This manual will cover treatment technology, legal and institutional problems, planning methods, economic analysis, and other considerations involved in implementing reuse systems and strategies.

OWRT has supported a significant amount of research in the use of computer graphics in water resource planning and analysis. A recently completed effort in flood plain mapping using computer graphics has demonstrated the tremendous advantages in analysis and decisionmaking offered by this emerging technology. The proposed manual will highlight the advantages of computer graphics in water resource management and will include case histories to demonstrate the applicability of the technology. This development will require analysis of software capabilities for user applicatic.. as well as evaluation of application areas.

ACCESS TO COMPUTER TERMINALS

Senator McCLURE. How do you make the five OWRT terminals accessible to the public through your water resources scientific information center?

Mr. COBB. May I ask Mr. Jensen again to describe that?

Mr. JENSEN. The terminals are located at a number of universities including Cornell, North Carolina State, Arizona, and Wisconsin. They accept requests for searches in our computer systems and they charge a fee to cover their costs.

Senator McCLURE. There is a service fee that they charge, and it's only at cost?

Mr. JENSEN. That's to cover their costs. They also pay a service fee back to the Department of Energy for use of its computer.

Senator McCLURE. You've indicated your intention of increasing access to the public through an open lease with the National Technical Information Service. Could you provide for the committee record details of the contract you have negotiated including how much more access will be provided through that means?

Mr. JENSEN. Surely. There have already been purchases by private networks. The Lockheed Corp. has bought the data base. So has the System Development Corp. along with the New England Regional Applications Center. I can give you a list of their fees and charges.

Senator McCLURE. If you would, please.

[The information follows:]

INCREASING PUBLIC ACCESS TO SELECTED WATER RESOURCES ABSTRACTS

OWRT's selected water resources abstracts data base which contains 147,349 abstracts, this summer will be available through the two largest commercial online services—Lockheed's DIALOG and System Development Corp.'s ORBIT. Together, SWRA will be available for computer searching from a network of 18,000 terminals. A third organization, the New England Regional Applications Center, also provides service rather than access. DIALOG currently offers 102 data bases with almost weekly additions. These data bases for online searching are available to over 15,000 subscribers in over 40 countries. There is no comparable national or international medium with as broad an exposure for the water resources abstracts.

ORBIT compliments this exposure with the addition of selected water resources abstracts to its over 50 data bases which are available to about 3,000 subscribers.

OWRT has authorized the National Technical Information Service to offer the selected water resources abstracts tape files to the public for lease. All fees are retained by NTIS.

The charges NTIS makes follows:

File to date, one time	$3,050
Subscription for file, updates, annual	3,450
Total	6,500
Three sales to date	19,500

GENERAL PROGRAM SUPPORT

Senator McCLURE. Under the general support program. I will just focus on one area of questioning. You state in your justification that between fiscal years 1980 and 1982 your average grade and personnel has been reduced from 11 to 10.61, saving some $108,000. Yet, my calculations indicate you have some 71 employees of grades GS–15 and lower; and of those some 40, or 56.3 percent, are GS–11 through GS–15. My calculations show, too, that the average pay, and I stress average, using the lowest figures of each pay scale amounts to some $35,627.50 for these 40 employees. This figure seems extremely high in contrast to the figures that you had used. Could you comment?

Mr. COBB. Mr. Chairman, I'd like to try to reconcile that for the record. I can't comment now. Our average grade is computed based on OMB criteria. I don't know what the difference might be.

[The information follows:]

AVERAGE GS GRADE AND SALARY

For budget personnel summaries, average GS grade and average salary are computed based on OMB Circular No. A–11, Preparation and Submissions of Budget Estimates, sections 34.4 through 34.6. The actual OWRT fiscal year 1980 average grade and salary and that estimated for fiscal year 1982, were computed using this criteria. While the average salary you computed for 40 persons, GS–11 through GS–15, is $35,627.50, the average shown in the budget is computed using all 71 direct hire, full-time permanent positions, GS–1 through GS–15. The computation also included an assumption that there will be some savings in pay resulting from lapses as present employees are separated and replaced. These factors bring the average GS salary down to the $29,028 in the fiscal year 1982 budget.

A comparison of the fiscal year 1982 average grade and salary for direct Department of the Interior personnel follows:

Bureau or Office	Average grade	Average salary
Bureau of Land Managment	9.63	$23,830
Water and Power Resources Service	8.70	24,550
Office of Water Research and Technology	10.61	29,028
Heritage Conservation and Recreation Service	10.15	26,366
Fish and Wildlife Service	10.17	23,952
National Park Service	8.86	20,615
Geological Survey	10.11	27,816
Office of Surface Mining Reclamation and Enforcement	10.12	25,620
Bureau of Mines	9.60	22,528
Bureau of Indian Affairs	7.94	20,208
Territorial Affairs	10.78	27,629
Office of the Solicitor	10.71	29,311
Office of the Secretary	10.00	26,500
Office of the Inspector General	11.07	26,648
Youth Conservation Corps	8.80	20,753

GRADE STRUCTURE COMPARISON

Senator McCLURE. I wish you'd make a comparison and submit it to the record and how this compares to other agencies at the Department of the Interior. It's my impression this is considerably higher.

Mr. COBB. Mr. Chairman, let me respond to that. When I became director of the Office of Water Research and Technology, it had the highest average grade across all of Government. One of the objectives I've had over that last 3 years was to reduce the average grade, but to do so in a way that I would not go into reduction in force, but through attrition. I can provide you data indicating the composition of the staff and the allocation of slots at the time I came in and now. There has been quite a significant reduction in the number of super grades and SES slots from 11 down to 6, the number of 15's has been reduced; so we've been working toward reducing the average grade and have achieved some reduction.

Senator McCLURE. If you'd make those comparisons both in terms of where you started and where you are now and then how you compare now.

Mr. COBB. I'd be very pleased to provide that for the record. I'm proud of the accomplishment in this area.

[The information follows:]

GRADE STRUCTURE COMPARISON

	Actual fiscal year 1977	Actual fiscal year 1980	Comparison
GS rating:			
18, 17, 16[1]	10	6	-4
15	17	13	-4
14	11	15	+4
13	4	9	+5
12	1	1	
11	2	6	+4
10	2	2	
9	6	4	-2
8	5	5	
7	7	6	-1
6	2	2	
5	1	3	+2
4		2	+2
3		2	+2
2		1	+1
Reimbursable	5	6	+1
Total	73	83	NA
Unfilled	-14	-8	NA
PFT end of year	59	75	NA

[1] Senior Executive Service (SES includes all GS 16, 17, and 18 grades.)

SAUDI ARABIA

Senator McCLURE. With respect to the account that we have on the Saudi desalinization project, you indicate on page 87 in your justification that they are generating substantial income for the United States.

In fact, are they not just simply reimbursing us for the moneys expended.

Mr. COBB. Mr. Chairman, I would like Mr. Morris to respond to this question in more detail. Let me say that the U.S. presence in Saudi Arabia through this joint program of our technical staff has had an impact on the amount of U.S. business activity in Saudi Arabia; and, more importantly, has had an effect on the Saudi's perception of our membrane technology. Mr. Morris?

Mr. MORRIS. Mr. Chairman, while the OWRT contract under the United States-Saudi joint agreement provides a much smaller amount of money, the very fact that we are there enables us to provide advice on choices that are to be made in technology. Very recently bids were received on a reverse osmosis desalting project. The low bidder was a consortium involving a Saudi and a Japanese firm. I believe our presence and ability to advise the Saudis with whom we're dealing resulted in a particularly careful consideration of the bids, with the result the consortium was reformed, this time with an American firm who will supply U.S. reverse osmosis technology.

Because of our presence and our direct participation, we can provide advice on specifications. We see a potential for U.S. industry to be recipients of approximately 20 percent of the future desalting work that is scheduled for Saudi Arabia with an estimate of approximately $1½ to $2 billion over the next 10 years.

Senator MCCLURE. Do U.S. businesses see the same advantage to our activity there?

Mr. MORRIS. Yes, sir. Quite so, sir.

Senator MCCLURE. Is it possible that they'll see that so clearly that they'll contribute cash to the project?

Mr. MORRIS. I can answer indirectly by saying that we have been urged by at least one major U.S. company, a very, large industrial organization, to support a domestic demonstration program that would also be useful as a demonstration for the rest of the world.

Senator MCCLURE. I can imagine they'd really like that if you would do that for them. They don't need to produce their own sales personnel. We could do that for them.

Mr. MORRIS. Their point is that the confidence displayed by the U.S. Government becomes the "Good Housekeeping Seal of Approval" that the rest of the world is looking for. The cost of the plant and the magnitude that they were suggesting was far beyond our capability. It was a 5-million-gallon-per-day plant—something on the order of about $25 or $30 million, beyond the investment capabilities of most large firms.

Senator MCCLURE. With respect to the statement and the justification of generating substantial income, this is the context in which you want that statement to be understood?

Mr. MORRIS. Yes, sir.

Senator MCCLURE. It's not a direct return but an indirect return.

Mr. MORRIS. Yes, sir.

Senator MCCLURE. I'm not unmindful of that. One of the greatest frustrations I have is that the United States has succeeded, by our taxing policies, from going as the No. 1 contractor in the Gulf area to No. 12 in 18 months. A great success for U.S. policy.

Mr. COBB. I would just like to add to this conversation that we generate directly through the purchases and the acquisitions that are made in carrying forward the project in the training center and would be in construction of the larger plants.

Senator MCCLURE. Could you provide for the record a detailed analysis of both the Israeli and the Saudi projects and focus on the differences of technologies used in both and their application to this country's desalinization market?

Mr. COBB. Yes, Mr. Chairman.

[The information follows:]

The U.S.-Israel Desalination Project: Detailed Analysis of Structure, Technology and Applications

The Foreign Assistance Act of 1969 provided for Joint U.S.-Israeli development of advanced desalination technology for worldwide application. In 1970 the Congress appropriated $20 million for participation on a matching basis with the Government of Israel. As of March 31, 1981, both countries have each contributed $7.5 million. The Government of Israel submitted a proposal for research, development and demonstration of a novel distillation technology in 1971. After considerable study and negotiation, an agreement was signed by both governments on June 27, 1975. Under the terms of the ten-year agreement, all technology derived from the project will be shared by both governments. The technology will be available to private U.S. firms on a nonexclusive, nondiscriminatory basis, for use anywhere in the world with royalties taking into account the overall U.S. financial contribution.

OWRT, because of its recognized expertise in saline water conversion, was chosen to provide U.S. technology input to the Joint Project and to represent the U.S. interest. Through a Participating Agency Service Agreement with the Agency for International Development, OWRT contributes in all project phases and transfers the resultant technology back to the U.S.

The Government of Israel manages the Joint Project through the Office of the Project Manager, an entity acting under Israel's Ministry of Energy and Infrastructure. The Project Officer, an OWRT employee, and other OWRT and AID staff interact through the Office of the Project Manager. The prime contractor is Israel Desalination Engineering, an Israeli Government-owned company.

The program consists of research and development directed toward design, construction, operation and testing of a five million gallon per day desalting plant to be located at Ashdod, Israel. The design of the plant is based on a low temperature (less than 75°C) multieffect distillation process using aluminum alloy heat transfer surfaces. The plant will be dual-purpose; that is, it is coupled to a conventional power station and will use low grade energy to produce water while the power plant continues to supply electricity. The process was developed by Israel Desalination Engineering who have had considerable experience with small and medium sized single-purpose desalting units incorporating many of the features chosen for demonstration in the Joint Project.

The technology being developed in the Joint Project operates at lower temperatures than conventional distillation technology. This translates into the use of lower cost materials and energy, and thus, reduced total water costs. The unique power plant-desalting plant coupling scheme developed in the course of this project isolates the water producer from the power producer so that, if the desalting plant is not in operation, power generation is not affected. This makes the addition of desalting capacity to existing power plants more attractive to power producers. The coupling scheme may be applied to nuclear and geothermal sources as well as conventional power plants.

A groundbreaking ceremony was held at Ashdod on March 25, 1980. Civil work, mechanical work and procurements are well underway. Of $5.8 million in procurements completed so far, $2.8 million have gone to U.S. firms and the remainder to Israeli firms. Completion of the plant is scheduled for late 1981 with operation, testing and evaluation to take place in 1982 and 1983. When completed, the plant will supply part of the water needs of Ashdod. New ideas related to further process improvements and the possible use of a geothermal resource known to exist in the Ashdod area are also being investigated. Incorporation of the most promising of

the improvements such as the coupling of the plant to the geothermal source, if proven feasible, and subsequent testing will take place in 1984 and 1985.

The cost reductions resulting from use of this new technology may make dual-purpose water and power production economically feasible in many of the potable water deficient coastal areas of the U.S. Further, adoption of this technology should make U.S. desalting equipment manufacturers more competitive with Japanese and European firms in the lucrative world desalting market. Because of cost-sharing, the technology developed in the course of the Joint Project is available at substantially lower cost than would have been possible had the program been carried out and funded solely by the U.S.

The U.S.-Saudi Arabian Desalination Project: Detailed Analysis, Structure, Technology And Applications

The United States-Saudi Arabian Joint Commission on Economic Cooperation was established on June 8, 1974, by a Joint Statement issued by Crown Prince and Deputy Prime Minister Fahd and U.S. Secretary of State Kissinger. It stated that the purpose of the Joint Commission is "to promote programs of cooperation between two countries in the fields of industrialization, trade, manpower training, agriculture, and science and technology."

On February 13, 1975, the two governments signed a Technical Cooperation Agreement providing a framework for the Joint Commission to begin operations. Since that time, the Commission has become an active government-to-government mechanism by which the expertise present in the two governments and the private sectors of both countries can be brought together to further the goals of the Commission. The Joint Commission has a system of parallel command in which the U.S. Secretary of the Treasury and the Saudi Minister of Finance and National Economy serve as Co-Chairmen.

The Office of Water Research and Technology (OWRT) is the operating agency under a U.S. Department of the Interior-Saudi Arabian Saline Water Conversion Corporation (SWCC) Agreement (SWCC is a Saudi government agency) for technical cooperation in desalination. This is one of a number of projects undertaken by the U.S.-Saudi Arabian Joint Commission on Economic Cooperation.

Although SWCC's research and development programs are being designed to meet its needs, much can be learned and shared by others in the world of desalination. The specialized experience in desalination available from OWRT was recognized by the U.S. Department of the Treasury and the Saudi Arabian Government in formulating the above Agreement. OWRT has three (3) desalination specialists stationed in Riyadh, Saudi Arabia, and a coordinator in Washington, D. C. Under the Agreement, OWRT provides technical assistance to SWCC on two parallel desalination projects with objectives as follows:

Project A - to establish a Research, Development and Training Center in the Kingdom of Saudi Arabia which will provide scientific, technical, and developmental services related to water desalination for the Kingdom, and to train Saudis in design, construction, operation and maintenance of desalting facilities.

Project B - to initiate in Saudi Arabia, projects to develop the technology for building and operating single-unit multistage flash desalination plants with capacities to 66 million gallons of fresh water per day. Planned development includes the construction and operation in Saudi Arabia of a test module to verify the utility

of previously unproven or untested desalination concepts and components for inclusion in such plants.

Under Project A, contracts for "Design Requirements for a Research, Development and Training Center" and for the "Detailed Design of the Center" were completed and final reports were submitted by the contractors and approved by the U.S.-SWCC Joint Team. A site at Al Jubayl desalting complex in the Eastern Province of Saudi Arabia was selected for the Center. Invitations for bids to construct the Center have been issued by SWCC. The U.S.-SWCC Joint Team has initiated work on a research and development program plan and the U.S. team has completed a draft of a Scope of Work for implementation of a desalination training program.

In Project B, three contracts for the "Conceptual Design of Large Capacity, Multistage Flash (MSF) Desalting Units" were completed and the final reports reviewed by the Joint Team. The original plan called for design and construction of a test module to evaluate the innovations proposed in the approved conceptual design. However, the SWCC Board of Directors reconsidered the projected needs of the country and postponed further work stating that large plant construction would not, at this time, be consistent with anticipated demand and construction needs. Smaller sizes, presently being built, are thought to be adequate for the n xt several years. It was indicated that some of the innovative concepts identified under the MSF conceptual designs, would be included along with other technologies in the overall R and D program plan for the Center.

OWRT personnel who were previously engaged in work associated with Project B will be used to accelerate Project A. This work includes the completion of a reverse osmosis project development plan for review by SWCC.

The entire funding for the desalination project is provided by the Saudi government. If inventions result from this project, the U.S. will receive royalty-free, nonexclusive irrevocable licenses to use the inventions, with the right to sublicense in the U.S. OWRT participates in the development and use of new technology both here and abroad while generating substantial income to the U.S. About $3.5 million has been spent so far on the desalination project of which U.S. firms and personnel received about $2.5 million. There is a continuing and substantial market for U.S. desalting expertise and materials in Saudi Arabia. It has been estimated that over the next ten (10) years, there is a potential of $1.5 to $2 billion in U.S. desalination-related business in the Kingdom. The Joint Commission program supports the foreign policy interests of the U.S. and has over the past five years been a positive element in our relationship with the Kingdom of Saudi Arabia.

TERMINATION OF SALINE WATER PROGRAM

Senator McCLURE. If the saline water program is terminated as current rumors have that it may be, or at least it may be suggested by the administration that we terminate it, what future developments had you anticipated with regard to the reverse osmosis technology? Does the reverse osmosis technology continue to occupy a place in the future program?

Mr. COBB. Further development by whom? By industry?

Senator McCLURE. Yes; would you continue in the development of that if the program is continued?

Mr. COBB. As we had proposed in our budget request for 1982, we would continue to have research and development in membrane technology, specifically, moving in the direction of proving the technology for seawater application.

Senator McCLURE. Do you anticipate if the program is terminated anyone else would carry that effort forward?

Mr. COBB. My opinion is that industry will improve the technology over time, but it would be at a much slower rate than would be the case with the Federal Goverment involved.

Senator McCLURE. That technology I think in your view at least and in the view of some others, has potential, or at least you had anticipated there would be a quantum jump in the ability to provide large amounts of water for less cost with the consumption of less energy and with reduced capital expenditures. Am I correct in that characterization of your view of the program?

Mr. COBB. Yes, Mr. Chairman.

Senator McCLURE. Thank you very much. Thank you for your patience in answering these questions. We look forward to your responses and clarifications, which will be submitted for the record.

Mr. COBB. Thank you, Mr. Chairman.

HOLOCAUST MEMORIAL COUNCIL

STATEMENT OF MONROE H. FREEDMAN, DIRECTOR, UNITED STATES HOLOCAUST MEMORIAL COUNCIL

ACCOMPANIED BY HAROLD H. MILLER, CHIEF, DIVISION OF PROGRAMING AND BUDGET, NATIONAL CAPITAL REGION, NATIONAL PARK SERVICE

BUDGET REQUEST

Senator McCLURE. We will now turn to the Holocaust Memorial Council.

The budget request for the council is $800,000, an increase of $78,000 over appropriations to date.

Mr. Freedman, will you please come forward and take a seat at the desk, and after having done that introduce your associates.

Mr. Freedman, the full text of your statement will be included in the record as if given. You may highlight your request at this time and give us an explanation of it. You might also identify your colleague for the record.

Mr. FREEDMAN. Thank you very much, Mr. Chairman. I am accompanied by Mr. Harold Miller, who is Chief of the Division of Programing and Budget of the National Capital Region of the National Park Service.

The Holocaust Memorial Council receives administrative assistance from the Interior Department, and our direct liaison is through the National Park Service, which has given us tremendous support for which we are very grateful.

It is a pleasure to be able to appear before you this morning, Mr. Chairman.

I would like to take the occasion to express our gratitude to the members of this subcommittee, all of whom supported the enabling legislation for the Holocaust Memorial Council. Indeed, three members, Senators Stevens, Garn, and DeConcini, were cosponsors of the legislation.

The purposes of the Holocaust Memorial Council, Mr. Chairman, are to honor the allied troops who participated in the liberation of the death camps, particularly the American liberators, and to commemorate the victims of Nazi tyranny, to educate the people of the United States with regard to the horrors that occurred, and to seek whatever lessons we can regarding the nature and causes of oppression.

We want to help the country and the world to insure that acts of genocide will never again be perpetrated against people anywhere.

President Reagan has written, "America would benefit greatly from a memorial to the millions who died in the Holocaust. Every American must be made aware that such a horror, almost beyond the scope of human comprehension, took place in our times. Therefore the effort to

build the Holocaust Memorial must be a bipartisan enterprise, for its significance transcends politics."

It was in that spirit, Mr. Chairman, and with the support of former President Carter that the Senate and the House of the United States unanimously enacted the enabling legislation for the Council.

We are determined to carry out our commitments to the Congress and to the President.

In particular, with regard to private funding, we have been committed from the outset to raising the major part of the necessary funding through private sources. Toward that end we have already established a private foundation, a fund-raising vehicle and receptacle, and we have received already some modest contributions, and I am very pleased to be able to say that we have received a pledge from the Armenian American community of $1 million toward the work of the Holocaust Memorial Council.

I would be very happy, Mr. Chairman, to try to answer any questions you might have.

[The statement follows:]

STATEMENT OF MONROE H. FREEDMAN

I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TO PRESENT FOR YOUR CONSIDERATION THE FUND REQUIREMENTS FOR THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL FOR THE FISCAL YEAR 1982.

THE APPROPRIATION FOR THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL FOR FISCAL YEAR 1981 WAS $722,000. WE ARE REQUESTING A NET INCREASE OF $78,000 FOR FISCAL YEAR 1982. THE FOLLOWING INCREASES ARE REQUESTED: $38,200 TO COVER THE COST OF TWO ADDITIONAL TEMPORARY EMPLOYEES, A PART-TIME DEPUTY DIRECTOR TO BE RESPONSIBLE FOR SPECIAL PROJECTS, AND A PART-TIME CLERK TYPIST. $96,300 IS REQUESTED FOR STAFFING ADJUSTMENTS, AND $2,200 FOR OTHER PERSONNEL COSTS. VARIOUS PROGRAM COSTS WHICH WERE HIGHER DURING OUR ACTIVATION HAVE BEEN REDUCED BY $58,700 TO ASSIST IN OFFSETTING PERSONNEL SERVICES INCREASES. NO ADDITIONAL PERMANENT POSITIONS ARE REQUESTED.

THE FUNDS REQUESTED WILL PROVIDE FOR ACCOMPLISHING THE FOLLOWING OBJECTIVES IN FISCAL YEAR 1982:

Days of Remembrance. The Council has already made substantial progress in establishing an annual, national, civic commemoration of the Holocaust in April of each year. Appropriate ceremonies have been held in several cities, with the principal observances in Washington, D.C. In April 1981, we plan to have a special program attended by the President, members of the Cabinet, and members of Congress. The program in Fiscal Year 1982 will consist of a more extended program, to be conducted in the Kennedy Center and, very likely, in at least two other major cities.

Establishment of a Permanent Living Memorial/Museum. Planning is still in the early stages. By Fiscal Year 1982, we hope to have selected a site for the memorial/museum.

At the same time, we are in the process of developing the themes to be presented in a memorial/museum. We hope that this work will be

completed by Fiscal Year 1982, which means by then we should be developing considerable detail regarding the appropriate presentation of the themes.

Committee on Conscience. By Fiscal Year 1982, we hope to name prominent Americans to the Committee on Conscience. This Committee will serve as an early warning system against threats of genocide against any people, any place in the world. The Council is currently developing plans regarding the appropriate functions that the Committee on Conscience would undertake.

MR. CHAIRMAN,

I SHALL BE PLEASED TO ATTEMPT TO ANSWER ANY QUESTIONS YOU AND OTHER MEMBERS OF THE COMMITTEE MAY HAVE ABOUT THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL AND THE 1982 BUDGET ESTIMATE BEFORE YOU.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

1981 Approved to Date		1982 Request		Difference		% Difference	
Pos.	$(000)	Pos.	$(000)	Pos.	$(000)	Pos.	$
7	722.0	7	800.0	-	+78.0	-	10.8%

Increases Requested in 1982

		$ (000)
1.	Cost of new part-time positions	38.2
2.	Staffing adjustments and pay increases	98.5
3.	Savings generated due to nonrecurring activation costs	(-) 58.7
	Total increase requested	78.0

Other Historical and Memorial Agencies
United States Holocaust Memorial Council

Appropriation, 1981 ..... $722,000

Decreases:
United States Holocaust Memorial Council ..... -722,000

Budget Estimate, 1982 ..... $800,000

75-548 O - 81 - 46

Other Historical and Memorial Agencies
United States Holocaust Memorial Council

Analysis by Activities

Activity	FY 1980 Amount Available	FY 1981 Amount Available	FY 1982 Estimate	Increase (+) or Decrease (-) 1982 compared with 1981
United States Holocaust Memorial Council	--	$722,000	$800,000	$ + 78,000

Program and Financing (in thousands of dollars)

Identification code 95-3300-0-1-806	1980 Actual	1981 Estimate	1982 Estimate
Program by activities:			
10.00 Holocaust Memorial Council (costs - obligations)	--	722	800
Financing:			
40.00 Budget authority (appropriation)	--	722	800
Relation of obligation to outlays:			
71.00 Obligations incurred, net	--	722	800
90.00 Outlays	--	722	800

Object Classification (in thousands of dollars)

Identification code 95-3300-0-1-806	1980 Actual	1981 Estimate	1982 Estimate
Personnel compensation			
11.1 Full-time permanent positions	--	121	241
11.3 Positions other than full-time permanent	--	75	32
11.5 Other persnnel compensation	--	10	12
Total personnel compensation	--	206	285
12.1 Personnel benefits: Civilian	--	22	80
21.0 Travel and transportation of persons	--	195	195
23.2 Communications, utilities and other rent	--	5	5
24.0 Printing and reproduction		18	15
25.0 Other services	--	191	146
26.0 Supplies and Materials	--	60	60
31.0 Equipment	--	25	14
99.9 Total obligations	--	722	800

Personnel Summary

Total number of full-time permanent positions	--	7	7
Total compensable workyears: Full-time equivalent employment	--	10	12

Justification for Appropriation, 1982

Public Law 96-388, approved October 7, 1980, authorizes the Secretary of the Interior and other Federal agencies to participate in planning, constructing, and overseeing the operation of a permanent living memorial museum to the victims of the holocaust. It provides authorization for appropriation of $722,000 for fiscal 1981, $800,000 for fiscal 1982, and $850,000 for fiscal 1983 to carry out the recommendations of the President's Commission on the Holocaust in its report to the President of September 27, 1979.

The Council has already made substantial progress in establishing an annual, national, civic commemoration of the holocaust in April of each year. Appropriate ceremonies have been held in several cities, with the principal observances in Washington, D.C. In April 1981, plans are to have a special program at the Concert Hall of the Kennedy Center, to be attended by the President, Members of the Cabinet, and Members of Congress. The program will include a specially commissioned performance of "Ani Maamin." The program in fiscal 1982 will be similar, with the expectation of encouraging ceremonies in every major city of the United States.

Planning is still in the early stages to establish a permanent living memorial/museum. By fiscal 1982, it is anticipated that a site will be selected.

Themes to be presented in a memorial/museum are being developed. This work is scheduled for completion in fiscal 1982.

By fiscal 1982, it is anticipated that prominent Americans will be named to the Committee on Conscience. This Committee will serve as an early warning system against threats of genocide against any people, any place in the world. The Council is currently developing plans regarding the appropriate functions that the Committee on Conscience will undertake.

Biography of Monroe H. Freedman

Described in the Harvard Law Bulletin as "a lawyer's lawyer," Mr. Freedman has distinguished himself as a law school dean, professor, scholar, and practicing attorney.

He has served on the Board of Governors of the District of Columbia Bar, and as Chairman of the Legal Ethics Committee of the D.C. Bar, Chairman of the Committee on Professional Responsibility of the Society of American Law Teachers, and Chairman of the Committee on Professional Disciplinary Standards and Procedures of the Federal Bar Association. He is also a member of the National Board of Directors of the American Civil Liberties Union, and was a member of the Board of Governors and the Executive Committee of the Society of American Law Teachers.

As Dean of Hofstra Law School from 1973 to 1977, Mr. Freedman was credited by the New York Times with having achieved for the law school "unprecedented national prominence and high standards." His book, Lawyers' Ethics in an Adversary System, received the ABA's Gavel Award Certificate of Merit, and has been described in reviews as "brilliant," "indispensible," and "undoubtedly the best book in the field."

Mr. Freedman has practiced with law firms in New York, Philadelphia, and the District of Columbia, was a Professor of Law at George Washington University, and established and directed a six-lawyer public interest law firm in the District of Columbia. He has also been a consultant to the Association of the Bar of the City of New York, to the National Legal Services Corporation, to the United States Commission on Civil Rights, and to Senator John L. McClellan.

Mr. Freedman received his A.B., LL.B., and LL.M. at Harvard, and is listed in Who's Who in America, Who's Who in American Law, and Who's Who in the World.

EMPLOYMENT POSITIONS

Senator McCLURE. Thank you, Mr. Freedman.

The Council is authorized seven full-time employees and is requesting funds for two additional temporary positions, which would bring the total number of temporary positions to five. Are all of these five full-time temporary positions?

Mr. MILLER. No, sir. They are less than full time.

Senator McCLURE. All five of them are?

Mr. MILLER. Yes, sir.

Senator McCLURE. Why do you have so many temporary positions relative to the total size of your staff?

Mr. MILLER. Three of the five positions are on the National Park Service staff, providing administrative support.

Senator McCLURE. So it is because they are only part-time administrative support personnel?

Mr. MILLER. Yes, sir.

Senator McCLURE. You find that to be more efficient than having fewer people but full time?

Mr. MILLER. Yes, sir, because the workload does not require full-time staff.

Senator McCLURE. You can add up five part-times to one full time, I suppose.

Mr. MILLER. They are really point nine of a work year. That would actually add up to 4.1 work years for the five positions.

Senator McCLURE. If you have 4.1 work years why don't you have four people doing full time rather than five people doing part time?

Mr. MILLER. The five positions are an administrative clerk, an administrative aide. There is a driver position. That is on the National Park Service staff. So there are three different skills involved there.

Then on the Holocaust there is the deputy director and a clerk typist.

Senator McCLURE. According to the table, I have, that has been submitted you have seven full-time permanent positions and your full-time equivalent employment of total compensable work years in 1981 has been 10. You are proposing that it be increased to 12. Is that correct?

Mr. MILLER. Yes, sir.

Senator McCLURE. So the 4.1 is rounded from 11 to 12.

Mr. MILLER. Yes, sir.

Senator McCLURE. It would be actually 11.1 and you rounded it to 12.

Mr. MILLER. Yes, sir.

Senator McCLURE. That is a good exercise in rounding.

Mr. MILLER. The dollars are not rounded.

Mr. FREEDMAN. I would like to add, Mr. Chairman, we have been seriously understaffed and continue to be because of startup problems. In fact, we did not receive our budget authorization until as recently as October 1980. That has hampered essential hiring. We are getting into that. That is why you have this apparent significant jump.

The only way we are able to carry on at this point is that members of our staff, particularly our administrative assistant, Marian Craig, have put in extensive overtime hours, evenings and weekends, to keep up with the workload.

Senator MCCLURE. We understand that you presently have only four of your seven permanent positions filled. When do you anticipate hiring the remaining three?

Mr. FREEDMAN. Our hope is that one will come on in April or May. Another is committed to come on in June, a professor from Yale University, who has already given notice to Yale University, but was not able to sever his connections there in good faith earlier than June. And one other, who I hope will come on during that same period.

Senator MCCLURE. In view of the fact that half of your staff will not be hired for most of the fiscal year do you anticipate that any of your fiscal 1981 appropriation will lapse?

Mr. FREEDMAN. Fiscal 1981, sir? That is possible. We are certainly making every effort toward that end. If you would like, I could make a specific inquiry as to what our best judgment is as of this moment. I have not looked into it recently, but I have had conversations with Mr. James Gross, who is our liaison with the National Park Service. And we have discussed the hope that we would be able to do that.

Mr. MILLER. If I might also add, sir, the budget was put together with the anticipation that they would not be filled until the middle of the fiscal year. So there is a few months additional lapse.

Senator MCCLURE. Thank you. If you will provide that estimate for the record we would appreciate it.

Mr. FREEDMAN. Yes, sir.

[The information follows:]

LETTER FROM MONROE H. FREEDMAN

JULY 2, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Subcommittee on Interior and Related Agencies,
U.S. Senate, Washington, D.C.

DEAR SENATOR MCCLURE: During the recent hearing on the fiscal year 1982 budget we requested an increase in our staffing of a less-than-full-time Deputy Director and a less-than-full-time secretary. Subsequently, we determined that full-time permanent personnel for both positions would be required to meet our needs. We have had some savings in other areas of the program and, therefore, if you have no objection, we propose to proceed now with hiring these additional personnel. This action has been approved by the Office of Management and Budget.

A similar letter is being sent to the Hon. Sidney R. Yates, chairman, Subcommittee on Interior and Related Agencies, Committee on Appropriations, House of Representatives.

Sincerely yours,

MONROE H. FREEDMAN.

LETTER FROM SENATOR JAMES A. MCCLURE

JULY 8, 1981.

Mr. MONROE H. FREEDMAN,
U.S. Holocaust Memorial Council, Suite 832,
425 13th Street, N.W., Washington, D.C.

DEAR MR. FREEDMAN: The committee has no objection t your use of full-time permanent personnel for the positions of Deputy Director and a secretary as outlined in your letter of July 2.

Your consideration in notifying the committee of this change is appreciated.

Sincerely,

JAMES A. MCCLURE,
Chairman, Subcommittee on Interior and Related Agencies.

FULL-TIME POSITIONS

Senator McCLURE. You presently have three temporary positions at a cost of $75,000. Two more positions are requested for next year. Yet the object classification shows that the total cost for five positions will only be $32,000. Can you explain those figures?

Mr. MILLER. Yes, sir. There was an error on the submission.

Senator McCLURE. I was afraid of that.

Mr. MILLER. That was an easy explanation.

Senator McCLURE. The error was on the $75,000?

Mr. MILLER. The error was on the less than full-time positions. It should have been $80,000. The personnel benefits should have been $32,000. Those dollars were reversed. Other than full-time permanent positions, instead of the $32,000 it should have been $80,000. Down under the personnel benefits for 1982 where it says $80,000, that should have been $32,000.

Senator McCLURE. It is still only a $5,000 increase as you go from three positions to five.

Mr. MILLER. Yes, sir, because what it doesn't reflect is the switching of a less than full-time deputy director to a full-time director's position. Therefore there is a reduction of $29,000 in the less than full time. Because of switching of the director from less than full time to full time. Then there is an increase of $24,500 for the part-time deputy director and a $9,800 for a clerk-typist for a net increase of $4,400.

Senator McCLURE. How many of the authorized 60 voting members of the Council have been appointed to date?

Mr. FREEDMAN. They all have been appointed, Mr. Chairman, with the one exception. Senator Stone is no longer in the Senate and will be replaced, I hope, shortly.

I am pleased to say that despite the apparently unusually large size of the Council all of our current members are extremely active in the work of the Council and are dedicated to it.

It is also possible, Mr. Chairman, I should mention in that regard, that legislation will be sought to add some number of council members, perhaps five, which will enable President Reagan to appoint members to the Council.

Senator McCLURE. You have requested $195,000 for travel. Is that only staff travel, or does that include travel expenses for Council members?

Mr. FREEDMAN. No, sir. The bulk of that is the travel for Council members. It is, of course, a substantial figure. It is far less than the one that we started with. We were calculating in terms of the ideal number of Council meetings and of committee meetings.

Not only are the Council members dedicated people, but they bring to the Council some extraordinary talents and a diversity of background. So they truly are valuable in terms of policymaking at the Council and at the committee level.

What we have done recently, in an effort to keep those costs down as much as we possibly can, has been to appoint an ad hoc committee to reassess the entire committee structure of the Council to reduce the number of committees, to reduce the number of members on each committee. We have an odd situation, I think. Usually, or too often, people

are happy to serve on such a body, but don't really want to put the time in.

We have people who are complaining that they have been limited to only one committee, and they really feel they have a great deal more to contribute to a second, third, or fourth committee, and we had a certain amount of difficulty in explaining to people that principally for budgetary reasons we are restricting that.

I should add, also, that we are fortunate in that a majority of our Council members have been declining the compensation that they are entitled to for attending meetings, and a significant number have also been foregoing reimbursement for their own travel. So that's another way—I feel personally, unfortunately so, but it is another way, due to the generosity of Council members that we have been able to keep our costs down.

Senator McCLURE. How many Council meetings will you have this year and how many are planned for next year?

Mr. FREEDMAN. The bylaws of the Council, Mr. Chairman, require three a year.

Senator McCLURE. You haven't decided that there will be more committee meetings?

Mr. FREEDMAN. Not necessarily. With regard to the committee meetings, we have also urged the committees to confer by conference telephone call where that is possible to be done. I don't think it is necessarily so that we will have more committee meetings.

It does happen that this should be a particularly active year for us in our planning stages. There will be very important policy decisions being made of a nature that we hope will not have to be repeated in any way. If those judgments are made wisely and in a coordinated way, we should be able to minimize the need for important policy decisions in future years, but I am afraid in the coming year or so we will have probably a peak need for meetings, both of committees and of the Council itself.

Senator McCLURE. You are planning to spend $191,000 for other services this year, and $146,000 in that category in fiscal year 1982. What is funded through this account?

Mr. MILLER. That is the contract costs associated with the Council meetings and committee meetings, the recording of the meetings and the meeting rooms. It includes the $50,000 for planning, design services for the memorial museum, and it includes contract costs associated with the members.

Senator McCLURE. The justification indicates that by fiscal year 1982 you plan to have a site selected on which to construct the memorial museum. Have you any idea when actual construction will commence?

Mr. FREEDMAN. No, I'm sorry to say, Mr. Chairman, we do not. One of the things that we have learned from experts, including a museum expert who was delegated to us for one of our meetings and for consulting purposes from the Smithsonian, is that, and this surprised me somewhat, I'm an amateur in that area, what we must do first is determine the themes that are to be presented through the museum. The story we want to tell. What we want to convey to the visitor to the museum and what that person, we hope, will carry out from that visit.

Only then, we are told, can we make appropriate decisions with regard to site and particularly structure.

Of course, one of our concerns with regard to site is whether it will be an existing building or whether we will be building from the ground up. The strong preference, of course, is to take, if it's at all possible, an existing building that the Government has no other current and pressing need for, to make use of something that might not otherwise be useful and to renovate that building and to use it. That would be ideal. Certainly from the financial point of view. That is our preference. It's possible, we are told that first we won't be able to find such a building or, insofar as such a building may be available when we come to realize what themes we want to present, we will find that a building that might otherwise appear to be appropriate will not be. So it's not as I thought it was, kind of a chicken and egg thing, where the site comes along and you grab it and then squeeze the rest of it into it.

Rather, there is a proper order for doing it. We are now in the main stages of developing those themes. We have a subcommittee that has submitted a report to the last meeting of the council. We have a council committee meeting coming up, the museum committee itself, which will discuss some dozen or dozen and a half separate submissions from Council members. Maybe it will be as many as two or three dozen by the time of the meeting, suggesting variations on the themes that we will want to be considering. And then, at a Council meeting that is projected for either the last week in April or perhaps the first week in May, I hope very much that we will resolve that issue. And that will provide kind of a breakthrough to open up other things that we then will have to do as promptly as possible, including our site selection.

Senator McCLURE. Site purchase and construction are to be funded entirely from private donations raised by the U.S. Holocaust Remembrance Foundation, Inc. Has that fundraising activity begun?

Mr. FREEDMAN. Only in a very, very modest way, Mr. Chairman. There again I'm necessarily relying on the experts, and we have a significant number of members of the Council who are highly experienced in fundraising. There is a serious concern, apparently, with regard to fundraising about approaching potential donors, particular major donors, prematurely, before you really have the wherewithal to persuade them of the importance or the magnitude of the job that is being done.

One of the things that I was referring to explicitly with respect to the breakthrough that we will have with the themes decision is that that is a major aspect of what the fundraising experts who are associated with the Council want to be able to take to potential donors. The story that the museum will tell, and even ideally some notion as to what the site will be, and what kind of particular cost will be needed either for renovation or for a new building. That is, of course, a matter of great urgency. It's something that we are focusing on particularly and we're very eager to begin that effort as well.

Senator McCLURE. Have you determined any ballpark figure on the total construction cost, or is it too early?

Mr. FREEDMAN. It is too early, Mr. Chairman. I've heard estimates of the difference between renovating and existing structure, and putting up

a brand new one. The numbers vary considerable, but even the lowest is very, very substantial. Indeed, it's that which has persuaded us that a strong effort should be made to find an existing structure.

Senator McCLURE. The Council is authorized only through fiscal 1983. Was the expectation at the time it was authorized that once the memorial museum had been constructed that voluntary efforts then would support it from that point forward. Is that a realistic expectation if construction is begun by that time? Would the Council go out of existence?

Mr. FREEDMAN. That's not my understanding, Mr. Chairman. Appropriations are projected and authorized only through 1983, but it's my understanding that the anticipation of the President and the Congress was that the council would be continuing. For example, in our legislation the shortest term of council members will be through 1986. There is provision made for replacing or renewing those council memberships on an ongoing basis with a 10-percent attrition year by year. Attrition and renewal year by year. So it seems quite clear on the face of the legislation that the anticipation is that the Council will, indeed, be an ongoing body. But, I think, what the Congress quite appropriately and advisedly was saying is that since there are so many variables that we're dealing with in this situation, although we're making you, for practical purposes, a permanent body, we would like to see you back again in 1983 to see where the financial situation is, how far you have proceeded, that is, the Council has proceeded in its pledge of raising substantial funds, and so on.

Senator McCLURE. It's your contemplation that it will be permanent Federal expenditure.

Mr. FREEDMAN. That's what I think that 1983 date recognizes is the difficulty in answering that. Now, I'm sure that we would all hope that it will not be a permanent Federal expenditure, but it will be much easier to respond to that in 1983. As of now we do not understand, certainly, that we have a commitment from the Congress beyond that period.

Senator McCLURE. How many people do you plan to name to the Committee on Conscience?

Mr. FREEDMAN. The committee that is working on that issue has suggested that there be 11 very prominent American citizens who are recognized throughout the United States and, indeed, the world, for their moral stature. That is the figure that the committee will be recommending, as I understand it, to the Council. The Council itself has not yet received the report of the committee. The number of members is one of the easier questions that that committee is grappling with and I'm not optimistic that we are going to get a report for Council action with respect to the Committee on Conscience in a very short time. The issues there have turned out to be quite complex and I think it's going to take a good deal of thought and study before the responsibile committee reports to the full Council.

Senator McCLURE. Is it contemplated that the committee members will receive compensation for their services?

Mr. FREEDMAN. I think, Mr. Chairman, it has been contemplated that they would not, and I say that only because, if my recollection is cor-

rect, that issue simply has not even been addressed by the committee. That may be an assumption. I hope my recollection is correct in that regard. I could be making an error. I would assume that there would be travel reimbursement tendered to members of the Committee on Conscience, but I don't recall that that issue has been addressed.

There, again, following the precedent of the Council itself, it's certainly conceivable that members of the Committee on Conscience who could afford to do so would forego that reimbursement.

Senator MCCLURE. I hope you will be cautious about undertaking commitments which Congress will later be called upon to fund until there's a clear signal that the Congress is prepared to do that.

Mr. FREEDMAN. Mr. Chairman, I'm not only cautious about it, I'm anxious and nervous about it.

Senator MCCLURE. The committee is to serve as an early warning system against the threats of genocide against any people anyplace in the world. Can you explain how this committee will function and on what basis they would determine a threat of genocide?

Mr. FREEDMAN. The discussions of the relevant committee in the Council focus, to a significant extent, on just that question. And that's one of the issues, interesting that you have zeroed in on it, that's one that has proved to be extraordinarily difficult. At one point there was a reference to onsite investigations. I think at first blush everybody nodded to him or herself and said yes, indeed, onsite investigations. Then somebody said, are we being realistic. Suddenly we realized that we were dealing with a very large and elusive problem. And that is one of the areas in which there is an ongoing exchange of correspondence and telephone calls among the members of the committee and where no firm decision has been reached because of the recognition of the problem.

Senator MCCLURE. As an example, would what has happened to the Cambodians be regarded as an act of genocide?

Mr. FREEDMAN. It's my understanding, Mr. Chairman, that it would be, but another of the vexing questions is the very definition of genocide for purposes of the Committee on Conscience. There again, before people really focused their attention on it, I think there was an assumption that there is a functioning operative definition of genocide. In the proposed genocide treaty, for example, and as the members of the committee came to scrutinize that more carefully, they realized that one of their tasks might well be to provide to the Council a much more refined definition of what we will be meaning by genocide.

Senator MCCLURE. One of the reasons why the genocide treaty has not been ratified by the Senate of the United States is the difficulty of that definition.

Mr. FREEDMAN. I confess, Mr. Chairman, that, although I have been and remain a strong supporter of the genocide treaty, I have a good deal more appreciation of the Senate's problems and concerns having sat in on our own committee's deliberations than I had before I was forced to think as hard as I have more recently.

Senator MCCLURE. I think if you and I were going to sit down and define genocide and if you and I had total assurance personally that only you and I would apply that definition to actions in the future, we'd have no difficulty coming to a conclusion.

Mr. FREEDMAN. I'm afraid that's precisely the case, Mr. Chairman.

Senator MCCLURE. I'm concerned because we have items like the Cambodian situation. I think in gross human terms, not in the refinement or in the thoroughness of its focus, it was equal to the holocaust in moral terms.

Mr. FREEDMAN. Mr. Chairman, I think it may be well to note that we are not, in our legislation, authorized to establish ourselves unilaterally the Committee on Conscience. We are authorized to plan for it and on our Council, among others, will be a liaison, ex officio member delegated from the Department of State. Those liaison people, I should add, because of your earlier question, have not been designated, and it is my understanding that having developed such plans it will be appropriate for us to seek further approval of whatever those plans are. So it's not a situation, Mr. Chairman, in which the Council in a week, a month, or even a year, is going to say these are the people, or to 11 people, you are the people, go be a Committee on Conscience. We will have other procedural steps to follow before that's an accomplished fact.

Senator MCCLURE. I'm concerned, too, with some of the actions that are taking place in sub-Saharan and northern and central Africa today. Essentially tribal struggles for political dominance within political boundaries established by European powers. I think we would have to look at what may have occurred and the charges that were made sometimes with respect to Kurdistan. Every ethnic group that does not fit the current political boundaries that are established for nationhood periodically claims that the majority is practicing genocide upon them. And, in some instances, it's true. It's a difficult task to define, and even more difficult to apply.

Mr. FREEDMAN. Yes, sir.

Senator MCCLURE. I appreciate your testimony, Mr. Freedman. Thank you very much for your appearance this morning.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

STATEMENT OF ROBERT R. GARVEY, JR., EXECUTIVE DIRECTOR

ACCOMPANIED BY:

JOHN M. FOWLER, GENERAL COUNSEL
THOMAS F. KING, DIRECTOR, OFFICE OF CULTURAL RESOURCE PRESERVATION
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FRANK L. SUMAN, ADMINISTRATIVE OFFICER

BUDGET REQUEST

Senator McCLURE. We will now turn to the budget request for the Advisory Council on Historic Preservation. The budget request for the Advisory Council on Historic Preservation is $1,865,000, an increase of $342,000 over appropriations to date. They also have a $67,000 pay supplemental pending for 1981. We understand that this budget may be subject to revision by the new administration, and that will be taken into consideration during the course of the hearing.

Mr. Garvey, do you have associates with you?

Mr. GARVEY. Thank you, Mr. Chairman, I do have. Their names are on the witness list. If necessary, I would like to ask them to join me at the table as the hearing progresses.

Senator McCLURE. They will be identified for the record as they come forward if you ask them, is that correct?

Mr. GARVEY. Yes, sir.

Senator McCLURE. Your entire statement will be submitted for the record and will appear in full in the record. You may highlight that as you see fit.

Mr. GARVEY. Thank you, sir. Mr. Chairman, I'm Robert R. Garvey, Jr., Executive Director of the Advisory Council on Historic Preservation. I am appearing on behalf of Chairman Jenrette, who regrets very much not being able to be here for this hearing. It is a pleasure to come before you in support of the council's appropriation request for the coming year.

We have been grateful for the assistance given preservation by this committee in the past years, and are delighted, Mr. Chairman, that you have assumed this chairmanship. Preservationists owe you a great debt of gratitude. Your active involvement in your State, your participation in the 1980 amendments to the Historic Preservation Act, and your actions to insure proper consideration of historic properties in establishment of the Central Idaho Wilderness show a perceptive and clear understanding of principles about modern preservation, which I might add sadly, are not widely understood today.

Senator McCLURE. Mr. Garvey, I might indicate that I had a great deal of very good advice and counsel during that period of time. I can't take all that credit myself, but I do appreciate the remarks.

Mr. GARVEY. The professionals in your State certainly give you high marks.

These principles I mentioned are that modern preservation is not primarily concerned with great monuments that house museums, but with the cultural and architectural environment in which ordinary people live, work, and maintain their social values, and that modern preservation does not require keeping every historic building or site intact. Modern preservation promotes good planning, to develop reasonable tradeoffs between development needs and the maintenance of a stimulating supportive cultural environment.

The Council's main business is to provide assistance to the rest of the Government in making such tradeoffs. We do this in an advisory role, as well as by overseeing the process the Congress devised under section 106 to promote the proper consideration of historic properties during the planning of Federal activities.

To carry out these duties in fiscal 1982 the Council is requesting $1,865,000 in the budget presently before this committee. There is an increase above the Council's current year appropriation. There has been no announcement regarding a change in this level by the President or by OMB. I might add that the lack of an announcement doesn't signal that we won't get one, but there has been none yet.

The new level will provide funding for a major shift in the role of the Council in the National Historic Preservation program. The amendments of 1980 to the National Historic Preservation Act moved the program forward. They give greater flexibility in encouraging and assisting the preservation of historic properties. They clarify and strengthen the responsibility of Federal agencies and State and local government in carrying out rational historic preservation goals and directives. They also provide the Council with new tools to help these parties carry out their responsibilities.

We see a trend toward increased preservation activity nationwide, more decentralization in carrying out the program, and a greater voice for non-Federal participants in its administration. With our new authorities given us by the amendments, we will help agencies improve their internal methods for considering historic properties, making it possible for us to spend less time reviewing individual projects. Our aim is to help agencies develop internal systems that will change our review to that of concepts rather than of cases. We will absorb most new responsibilities as detailed in our budget justification. This leaves three activities that we cannot carry forward effectively without the additional funding requested in our fiscal 1982 budget.

Training is the cornerstone of the new alliance on internal Federal agency programs for historic preservation. Federal agencies now must appoint preservation officers to coordinate their historic preservation duties. The Council's fiscal year 1982 budget request will permit us to train these officials and key staff. Likewise, effective participation of local government requires a thorough understanding of the process. We expect to reach key officials in 100 cities in fiscal 1982, greatly facilitating the certification of local programs.

The amendments direct the Council to view the policies and programs of Federal agencies and recommend ways to improve them. The new legislation also requires that we assess, as part of our annual report, the value of programs in Federal, State, and local government and the private sector in carrying out the purposes of the act. We view this as an important development to insure that the new directions of the 1980 amendments reach their full potential. We expect our evaluation and recommendations to lead to a strengthening of the National Historic Preservation program and the realization of opportunities for its more efficient and cost-effective operation.

While we will absorb the costs of Federal program analysis through reorientation of staff responsibilities, additional funds are required to appraise State, local, and private sector programs.

One of our new charges is the report on Federal tax laws affecting historic preservation and recommendations of changes to further national preservation policy. Current provisions of Federal tax law encouraging the preservation and renovation of historic structures have had significant effect, having generated nearly $1 billion of private investment in rehabilitation since 1976. Such techniques will be even more important as direct grants are scaled down. The budgetary burden of this important study is nearly unbearable as we have received no supplemental funds for fiscal year 1981. Reprograming will allow a start this year. Our fiscal year 1982 request would fund the completion of the study.

Another increase item in our budget request does not relate to the new amendments. These funds are required to expedite review of ground-based sites related to development of the proposed MX missile system. To expedite this massive undertaking, which will affect thousands of historic and archeological sites, we recently entered into an interagency agreement to insure rapid review of impacts and to avoid delays. Funds are requested to enable one staff member to devote full time to the job.

In understanding the benefits that derive from historic preservation activity and in looking at an improved and more effective national program, it is well to recall that the National Historic Preservation Act was created to deal with a set of circumstances in the mid-1960's. The face of America was undergoing rapid change. We were building as we never had built before and, in the process, some of our heritage was being lost. To remedy this the Congress devised a system to make it possible for the development to proceed without destroying significant historical and cultural properties.

The section 106 process involves negotiating by the Council and State historic preservation officers with Federal agencies to blend old and new. It has saved thousands of historic properties from unwarranted demolition and impairment. Sometimes it results in decisions that historic properties must give way to more pressing social and economic needs. It has been a process of give and take in the public interest.

Since 1966, preservation itself has changed. It is no longer the passion of a few, but the interest of many. It is more concerned with neighborhoods and communities than individual structures, and it has become a strategy for renewal that is being adopted by citizens and governments throughout the country.

There are good reasons for this. Perhaps one of the most practical being the cost savings of rehabilitation and adaptive reuse over new construction in today's energy-short environment. In our report to the President and the Congress in 1980, we documented the popularization of preservation. It is an increasingly important force in American life as we continue to move from a wasteful society to one that must conserve. The value of preservation activity in these times is quite simply stated in a recent report of the Department of Housing and Urban Development. It concludes that rehabilitating of our cities instead of building new suburbs may consume 45 percent less energy, 50 percent less capital, and create 45 percent less air pollution.

These facts have special meaning for this administration, for as we pursue economic recovery, we need to conserve what we have so that we can invest our enterprise and capital in development better ways of meeting the challenge of the 1980's. It is not wise to tear down r.usable structures and waste the energy and capital that could be used creatively to get this country going again. To be able to invest in the future we must make the best use of the investments made in the past.

Mr. Chairman, as we face this future, we are encouraged by the new opportunities provided in the amendments to lead the national program in positive directions. We believe that increased reliance on Federal agency historic preservation programs and greater decentralization of preservation decisionmaking to the States and localities are essential for the long-term vitality of the program.

It will be, indeed, unfortunate if economic constraints put limits on vigorous pursuit of the amended program. However, the Council is prepared and committed to initiate its share of the responsibilities with all of our available resources.

Thank you very much. I'll be pleased to answer any questions, but, Mr. Chairman, before I do, I would like to show you three of our very recent publications. One is on neighborhoods. Another is on archeological guidelines, and, if you have a casual interest in archeology and anthropology I highly recommend this. It is a most readable and informative document and one which the archeological community has received with great welcome. Finally, here is our annual report which is just off the press and will be mailed to all the Members of the Congress shortly. But, I have enough copies today for this committee.

Thank you.

[The statement follows:]

STATEMENT OF RICHARD H. JENRETTE

Mr. Chairman and Members of the Committee, I am Richard H. Jenrette, Chairman of the Advisory Council on Historic Preservation. It is a pleasure to appear before you again in support of the Council's appropriation request for the coming fiscal year.

The Council's fiscal year 1982 budget request of $1,865,000 represents an increase of $275,000 above the current year's appropriation. The new level will provide funding for programs required to implement the major revisions to the Federal historic preservation program.

As you know, the Council is an independent Federal agency created by the National Historic Preservation Act of 1966. Our traditional mission has been twofold: to advise the President and the Congress on matters relating to the national historic preservation program, and to oversee the process the Congress devised in 1966 to protect historic properties from needless harm by Federal activities. However, new legislation expands our role.

It is always a pleasure to be in on the beginning of something big. When I first came before you a few short years ago, preservation activity was beginning to sweep the Nation. There were good reasons for it, perhaps the most important being that the economic advantages of rehabilitation and adaptive reuse were becoming widely known through studies conducted by the Council and others, and this knowledge was being acted upon in cities in many parts of the country. Shift from concern of the few to concern of the many is now complete. Preservation literally has arrived. It is an increasingly important force in American life, as we continue to move from a consumptive society to one that must conserve.

As part of this process, preservation itself has changed. Perhaps Mayor Joseph P. Riley of Charleston, South Carolina, put it best when he said: "Too often preservation has been used to mask a fear of any change. A positive approach employs the preservation ethic as a tool to deal with the city's economic, housing, employment, and esthetic problems." And there is no doubt that preservation is a way of dealing with these issues. For example, a recent report prepared by the Department of Housing and Urban Development concludes that "rehabilitating our cities instead of building new suburbs may consume 45 percent less energy, 50 percent less capital, and create 45 percent less air pollution." Other studies show that preservation in urban areas sharply reduces crime rates. What better arguments could there possibly be for preservation in an energy-short, capital-short, crime-ridden environment?

On December 12, 1980, the Federal program that fosters this activity took another step forward with enactment of new legislation by the Congress. We have an important role to play in implementing it, and we are already restructuring our program to begin to meet the challenge. Our FY 1982 budget request, embodies the modest increases that will support new required duties.

I shall let the language of our budget document and our annual report (Report to the President and the Congress 1980) stand as a record of our accomplishments and will not recount in detail what I believe has been a very successful year. Instead I will focus on the need for the Council to implement the major amendments to our enabling legislation and explain how we expect to meet those needs within the limits of the funds requested for FY 1982.

Carefully crafted after several years of study and discussion, the National Historic Preservation Act Amendments of 1980 move preservation in significant directions. They provide greater flexibility in encouraging and assisting in the preservation of historic properties. They give Federal agencies and State and local governments more responsibility in carrying out national preservation goals and objectives. Finally, they provide the Council with new tools in helping these parties to assume their responsibilities and to measure their yearly progress. The thrust of the legislation, then, is toward increased preservation activity nationwide, more decentralization in carrying out the program, and a greater voice in the administration of the

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program by non-Federal participants. The Council's role is to become teacher, advisor, and catalyst in making this happen.

In our budget justification, we briefly identify and describe 14 significant changes in our law that require new or additional work. With a small budget such as ours, we do not have the capacity to assume many new duties without help. However, we expect to absorb most of them into our base programs. We expect to do this, over time, because the new authorities provide opportunities to reduce our present workload. Much of it involves consulting with agencies under the authority of Section 106 of the 1966 Act, when their projects threaten properties included in or eligible for the National Register of Historic Places. Several new authorities provided by the Amendments, if we can exercise them vigorously and creatively, should reduce the number of projects requiring consultation. For example, among our responsibilities is that set forth in Section 202(a)(6) of the Act--to review and make recommendations on Federal, State, and local preservation programs. As noted in our budget justification, although we are seeking additional funds to enable us to review and make recommendations about State and local efforts, we are absorbing the responsibility to deal with Federal programs.

We plan to reorient much of our staff activity toward consultation with agencies to help them improve their methods of handling historic properties. Doing this should make it possible for us to spend less time reviewing individual projects. This programmatic consultation becomes increasingly important as we face the likelihood of a reduced program of preservation grants to the States. As an example, if we spend more time working with the Corps of Engineers to establish general methods by which the Corps will deal with historic properties to be flooded by reservoirs, we should have to spend less time consulting with the Corps about particular undertakings. In carrying out this program, we will consult with the Secretary of the Interior in the issuance of agency guidelines, as required by Section 101(f), and consult with pertinent agencies regarding leases and exchanges of historic properties, and regarding management contracts, as required by Section 111(a) and (c). In the same context, we will absorb costs of developing and implementing procedures for exempting agencies from appropriate parts of the 1966 Act, as directed by Section 214.

The Amendments also direct us to provide for participation by local governments in Council proceedings under Section 106. This is a very important responsibility, which we intend to implement vigorously. This will require extensive consultation with the Department of the Interior, which is directed by the Amendments to develop a system for certifying local governments to participate in National Register nominations and grant-funded surveys, planning, and preservation activities. It will also require considerable consultation with the State Historic Preservation Officers. This activity is something we will absorb, but we expect it to reduce our workload over the long haul. As local governments become proficient in preservation, they will be more able to work creatively with Federal agencies in project planning and reduce the need for Council review.

We will absorb a variety of other responsibilities which we expect to have minor impacts on our workload. This leaves four activities that we cannot carry forward effectively without additional funding.

Therefore, as a result of passage of the National Historic Preservation Act Amendments of 1980 and other new authorities, we request additional funding to undertake the following activities:

1. Provide training to Federal, State, and local officials on their new preservation responsibilities.

2. Provide the President and the Congress with an assessment of the effectiveness of State, local, and private sector programs in carrying out the purposes of the National Historic Preservation Act and recommendations on how to improve the national historic preservation program.

3. Report on the effect of Federal tax laws on historic preservation and how they might be changed to further national preservation objectives.

4. Expedite Section 106 reviews to accommodate MX missile development.

Training

During FY 1981, we developed a training course for those who participate in the Federal impact review process and offered it on a limited reimbursable basis. Circumstances make this course an essential ingredient in implementing the 1980 Amendments.

The Amendments give new or increased duties to all governmental participants in the national historic preservation program, but especially to Federal agencies and local officials. Federal agencies must appoint "preservation officers" to coordinate specifically named historic preservation duties, the performance of which are now explicitly required by law. For the first time, local governments will have administrative role in the preservation program authorized by the National Historic Preservation Act. The law allows local governments to be certified to participate in nomination of properties to the National Register of Historic Places, administration of the Federal grant-in-aid program for acquisition and restoration of historic properties, and resolution of all Section 106 cases occurring within the jurisdiction of each. Without training offered by the Council, quick certification will not be possible. Presently, perhaps as many as 700 localities, with help, could qualify for such autonomy.

The 1980 Amendments recognize the value of and necessity for training. The new legislation stipulates training as prerequisite for qualification and in new Section 202(a)(7) directs us to inform Federal agencies and State and local governments of our activities. Based on past experience and perceived needs, we developed a training course that was extremely well-received by initial participants. However, because of financial and administrative constraints, the course did not get the widespread use we had hoped. Funds requested for this activity will enable us to make our course available 13 times on a regional basis at a reduced cost and to develop an additional capsule course to reach a greater number of officials in the cities who urgently need this training. The program envisioned in FY 1982 will allow us to train all Federal Preservation Officers and their key staff members as well as local officials principally concerned with preservation activities in 100 cities.

Assessment and Recommendations for Federal, State, Local, and Private Sector Programs

In amended Section 202(a)(6) of the National Historic Preservation Act, we are required to review the policies and programs of Federal agencies and recommend ways to improve them. The new legislation also amends Section 202(b) to require us to report to the President and to you on present issues in the field of historic preservation and to assess the value of programs of Federal, State, and local governments and the private sector in carrying out purposes of the Act. We plan to include all of this additional analysis in our annual report.

In past years, besides summarizing our own activities, we have attempted in our annual reports to identify problems and describe important events at the national level. This prepares us to undertake the new analysis that we are directed to provide; however, evaluation of Federal, State, and local programs and those of the private sector requires a great deal more work, including developing a methodology and data collecting system for non-Federal programs so that we can assess them. We expect our evaluation and recommendations to lead to a strengthening of the national historic preservation program and the realization of opportunities for its more efficient and cost-effective operation. One example is careful scrutiny of treatment given to archeological resources in Federal project planning. An interdisciplinary Council task force, working closely with the General Accounting Office, reviewed current practices and issued a report including recommendations for action by the Council itself, the Secretary of the Interior, and Federal

agencies. A direct result has been the issuing of Council guidelines which will introduce significant cost-savings to Federal Government by setting a rational framework for decisionmaking on archeological matters. We see many opportunities for similar assessment and recommendations concerning other aspects of the national effort, particularly the effective participation of State and local governments in the Federal program. We are fully aware, Mr. Chairman, that we received this explicit authority as the result of our successes in doing such analysis in the past--for single agencies and for the whole Federal program--and we intend to continue to be helpful in the future.

As we have noted earlier, we will absorb costs of preparing analysis for Federal programs through reprogramming. To accomplish the rest within personnel ceilings and to use knowledge of State and local and private sector programs already existing, we propose to use funds to permit assignment to the Council of a specialist in these matters under the Interagency Personnel Agreement program. The assessment must be especially exhaustive and precise, because it will be used by the Council to make legislative recommendations and proposals affecting administrative policy.

Tax Study

The new legislation instructs the Council to report to the President and the Congress on Federal tax laws affecting historic preservation. We are also directed to recommend changes in tax laws to further national policy set forth in the National Historic Preservation Act. Those provisions of Federal tax law encouraging the preservation and renovation of historic structures have proved to be very important elements in the national historic preservation program. Since their enactment in 1976, these provisions have generated nearly $1 billion of private investment in the rehabilitation of historic buildings. The importance of tax incentives will increase as there is less reliance on direct grant programs. Our report, which must be submitted on December 11, 1981, will recommend improvements to laws encouraging preservation as well as review other tax policies discouraging the reuse of historic buildings.

The full cost of the report cannot be borne in FY 1981. We will start the study this year anticipating its completion on schedule in FY 1982 with funding from this request.

MX Missile System

Finally, we request funds to expedite environmental review relating to development of the proposed MX Missile System.

Involving construction of about 29,000 miles of roadway, several hundred missile bunkers, railroads, reservoirs, utility lines, and the like, this system will affect thousands of historic and archeological sites. To expedite this massive undertaking, we recently entered into an agreement with the U.S. Air Force, the Bureau of Land Management, and other appropriate parties. To ensure rapid review of impacts and avoid delays, we are requesting funds to enable one staff member to devote full time to the job.

With additional funding, the total of which comes to $275,000, we believe we will be able to carry out all of our new duties and continue to work with Federal agencies, State and local governments, and the private sector in furthering the purpose and intent of the National Historic Preservation Act, now a greater force than ever in preserving and protecting our national heritage.

ADVISORY COUNCIL ROLE

Senator McCLURE. Thank you, Mr. Garvey, and I will look at those documents with a great deal of interest.

What is the role of the Advisory Council with regard to placing properties on the National Register of Historic Places?

Mr. GARVEY. Mr. Chairman, the Secretary of the Interior has the responsibility for maintaining and expanding the National Register. The Council uses that information in its review process as Federal undertakings interact and affect properties so designated by the Secretary of the Interior.

Senator McCLURE. But you don't participate with respect to the decision that is made in regard to placing a structure or site on the National Register.

Mr. GARVEY. That is correct. The Council has no input on National Register determinations.

Senator McCLURE. You might be called upon by the Secretary to play any advisory role in that selection process or determination process; is that correct?

Mr. GARVEY. Perhaps we could be called informally, but I do not think we ever have been.

Senator McCLURE. Do you know how the decision is made as to what is a historic property? What criteria are used and can you give us some examples that might illustrate how that decision is made?

Mr. GARVEY. Well, Mr. Chairman, the Secretary of the Interior has criteria for establishing significance. These criteria relate to history, architecture, archeology, and culture, and are applied at a variety of levels.

Senator McCLURE. It's not just necessarily with respect to the National Register. Your activities extend beyond those that are on the National Register.

Mr. GARVEY. Our activities extend only to the properties that are either on the Register, or are eligible for the Register.

Senator McCLURE. Who makes the determination of eligibility, the Secretary of the Interior?

Mr. GARVEY. May I answer that by an illustration?

Senator McCLURE. Sure.

Mr. GARVEY. If Federal Highway Administration officials intends to construct a new bridge that will replace an older bridge, their first obligation is to determine whether or not the old bridge is of sufficient significance, from an aplication of the National Register criteria to be eligible for the Register. If they believe that the bridge may qualify, then they are obligated to ask the Secretary of the Interior if, in his opinion, it is eligible. During this process they must consult the State historic preservation officer, and they may go to a local architectural commission, or a local engineering society for their views. There may be several sources that these Federal officials may turn to for confirmation that they are about to fund something that will affect an historic resource. Finally they ask the Secretary of the Interior and if he agrees that it is eligible, then the Council review process is started.

Senator McCLURE. But you don't get into it until the Secretary has made the determination that it is eligible.

Mr. GARVEY. We get involved only to the extent that if Federal Highway were to tell us that they were about to replace a bridge and were unsure of its significance, we would refer them to the Secretary of the Interior. We might alert them to sources of data, preservation techniques, and so on.

Senator MCCLURE. You'd say go and ask the Secretary?

Mr. GARVEY. I'd say go and ask the Secretary. Don't ask me, I don't have the authority to say.

Senator MCCLURE. Could you briefly describe how somebody would make a determination whether or not they do give special consideration to a property.

Mr. GARVEY. I can't elaborate the full range of the Secretary's criteria for you. I'd be glad to provide it for the record, and one of my associates might have a copy here with us.

[The information follows:]

CRITERIA FOR EVALUATION

The criteria applied to evaluate properties for possible inclusion in the National Register are listed below. These criteria are worded in a manner to provide for the diversity of resources. The following criteria shall be used in evaluating properties for nomination to the National Register, by the National Park Service in reviewing nominations, and for evaluating National Register eligibility of properties affected by Federal agency undertakings.

NATIONAL REGISTER CRITERIA FOR EVALUATION

The quality of significance in American history, archietecture, archeology, and culture is present in districts, sites, buildings, structures, and objects of State and local importance that possess integrity of location, design, setting, materials, workmanship, feeling, and association, and

(a) That are associated with events that have made a significant contribution to the broad patters of our history; or

(b) That are associated with the lives of persons significant in our past: or

(c) That embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a signficant and distinguishable entity whose components may lack individual distinction: or

(d) That have yielded, or may be likely to yield, information important in prehistory or history.

CRITERIA CONSIDERATIONS

Ordinarily cemeteries, birthplaces, or graves of historical figures, properties owned by religious institutions or used for religious purposes, structures that have been moved from their original locations, reconstructed historic buildings, properties primarily commemorative in nature, and properties that have achieved significance within the past 50 years shall not be considered eligible for the National Register. However, such properties will qualify if they are integral parts of districts that do meet the criteria or if they fall within the following categories:

(a) A religious property deriving primary significance from architectural or artistic distinction or historical importance.

(b) A building or structure removed from its original location but which is significant primarily for architectural value, or which is the surviving structure most importantly associated with a historic person or event.

(c) A birthplace or grave of a historical figure of outstanding importance if there is no appropriate site or building directly associated with his productive life.

(d) A cemetery which derives its primary significance from graves of persons of transcedent importance, from age, from distinctive design features, or from association with historic events.

(e) A reconstructed building when accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan, and when no other building or structure with the same association has survived.

(f) A property primarily commemorative in intent if design, age, tradition, or symbolic value has invested it with its own historical significance.
(g) A property achieving significance within the past 50 years if it is of exceptional importance.

Mr. GARVEY. However, let me say this. It's fairly easy for me to think in terms of structures where in a small town the courthouse may be the single most important building that has represented the strength and power and position of government for 150 years. It may not necessarily be the most distinguished courthouse in the entire State from an architectural standpoint, but from the standpoint of local history, the people's sense of community, even the esthetic qualities of its interior spaces it may be extremely important. It is likely that such a building would meet the criteria which are a fairly specific set of measures of significance that derive, initially, from the Historic Sites Act of 1935 when the Congress first directed the Secretary to develop a register of nationally significant properties.

HISTORIC PROPERTIES OF LOCAL SIGNIFICANCE

Senator MCCLURE. The properties don't necessarily have to have national significance, they can have local significance and still be listed, is that correct?

Mr. GARVEY. That's correct. The 1935 act had provisions for considering nationally significant properties; but, by the mid-1960's it was abundantly clear that great and good Federal programs—especially highways, dams, urban renewal, and that sort of thing—while they might be giving some consideration to the nationally significant properties, were ignoring other properties that make life enjoyable in any small community. In so many towns there is a Main Street, or a block of old homes that are good, architecturally sound, structurally usable, but these would never be considered in the late 1950's and 1960's as having any significance because they didn't figure in national history. Those were the reasons that the 1966 act came into being, which did, in fact, expand the Register from being a list of nationally significant properties to those of local and State significance.

Senator MCCLURE. But if there's a disagreement between local people and the Secretary on what's significant, how does that get resolved?

Mr. GARVEY. The Secretary has the authority to maintain the National Register, and he does so with objectivity. There are times when local people influenced by developmental, political, ethnic, or other reasons, will oppose a clear objective evaluation of significance. Usually the opposition is based on the belief that if the property is found eligible, it cannot be demolished, or altered. This, of course, is not true.

If a dispute does occur, it's the Secretary's obligation to make his objective determination for purposes of Federal law and action. And then if it seems judicious that a property found to be significant should be removed for downtown development, a new bridge, a new railroad station, or whatever, the Advisory Council is the place where that kind of resolution occurs. Let me assure you, Mr. Chairman, that we regularly agree with the local people when a case is made in the public interest which results in the loss of a property.

Senator McCLURE. It ultimately comes down to a Secretarial decision?

Mr. GARVEY. No, sir. If the Secretary has found something to be eligible and if the local citizens, the State officials, or a sponsoring Federal agency find that it probably should be sacrificed for whatever might be needed in the community, these matters are brought to the Advisory Council. We then have a review process that considers first saving the property if it's reasonable to do so. And if it is unreasonable the process seeks measures to mitigate the adversity. This can mean moving a highway 50 yards, incorporating an old building into a new project, and so on.

But if the property needs to go, the Advisory Council says so, the property is demolished. and the Secretary of the Interior then takes it off the National Register.

Senator McCLURE. If the Secretary agrees.

Mr. GARVEY. No; he does not have to agree.

Senator McCLURE. Would it come off the Register?

Mr. GARVEY. They have the criteria for removing properties from the Register and one is demolition, of course. In this case it comes off the Register.

Senator McCLURE. If it's demolished. But let's suggest first before it goes on the Register. Is that totally Secretarial discretion? You can advise, but he disposes?

Mr. GARVEY. We don't advise him. The Secretary of the Interior administers the National Register to his own process, his own criteria, his own program. Once he makes that finding and if another Federal agency undertakes something that affects the property then we get involved as a third party trying to find a solution in the public interest. We address the basic question, should the property be preserved or should it be sacrificed.

ENVIRONMENTAL IMPACT STATEMENTS

Senator McCLURE. What is the Council's role regarding the environmental impact statement process? Do you actively participate in the development of the EIS?

Mr. GARVEY. We do not. We have been invited to do that on many occasions, but it's not our job, nor our responsibility. The National Environmental Policy Act prescribes that historic properties shall be considered in this process. The CEQ's most recent guidelines have relaxed considerably the preparation of the extensive documentation on environmental impacts, especially when it's not really warranted or necessary. Our role is to review environmental impact statements.

If there is a historic resource review that is required pursuant to law, we try to insure that the review is finished and included in the final impact statement, or at least that the impact statement indicates that the review is going forward.

Senator McCLURE. The National Historic Preservation Act is largely procedural. That is, it requires only that the Council be consulted. If agencies don't consult with the Council, are they vulnerable to a lawsuit for failure to consult?

Mr. GARVEY. That's correct, sir.

CONSULTATION

Senator McCLURE. I might ask one further question on that. What is consultation? Do they notify you they're going to do something? Is that a consultation?

Mr. GARVEY. Consultation is when a Federal agency has an undertaking, learns that it will affect a property that is either on, or eligible for listing on the National Register, and looks at what effect the undertaking will have on the property. This involves the State historic preservation officer, the Advisory Council, and the undertaking agency. In some cases, it may involve a city and it may involve a developer.

Senator McCLURE. Interests other than a Federal agency can request of the Secretary that a property be placed on the Register, or a determination that it be eligible to be placed on the Register; is that not correct?

Mr. GARVEY. That's correct to the extent that they can start the process.

Senator McCLURE. It doesn't depend wholly upon the Federal agency policing itself.

Mr. GARVEY. Not wholly. And more often it's done the other way.

COUNCIL WORKLOAD

Senator McCLURE. On page 17 you indicate that the number of cases taken to the chairman for resolution were more than double from 1980 to 1981. Why will this increase occur? Can you give an example as to why you believe that that will be the case?

Mr. GARVEY. Throughout our justification, Mr. Chairman, we have indicated that the nature of our work is changing. We don't do nearly so much review of projects where there's one house, one small archeological site, one bridge. We're dealing in larger units of work.

A city will come in with a 16-block community development project that involves hundreds of structures. We may get something as complex as the transfer of the Boston Navy Yard involving private developers, U.S.N. activity, local concerns, and artifacts. It can be a tremendously complex thing. The complexity of these projects has several effects. One of them is that we don't always come to a negotiated settlement. Whenever I can't negotiate on behalf of the full Council to either find satisfactory mitigation, or to insure the proper carrying out of an undertaking, then the chairman is required in to make either one of three decisions. He may accept the situation as it presently stands. He may say that the matter should be brought to the full Council, so that forum can hear all sides of the issue and then make its comment. Or he may set up a panel of members to review the case and make a recommendation which could substitute for an action of the full Council.

Senator McCLURE. But the expectation of doubling the workload or doubling the resolution by the chairman is based upon what?

Mr. GARVEY. The changing nature of our work.

Senator McCLURE. You just assume that you're going to get more of those because they're more difficult and more complex?

Mr. GARVEY. The pattern we've observed is that the referral these matters to the chairman has grown, and I don't expect that to change.

Senator McCLURE. On page 17 you refer to the changing type of workload as you just now did. Is your current staffing pattern properly constituted to undertake the type of projects you anticipate in future years?

Mr. GARVEY. We have a varied staff capability, Mr. Chairman, involving all of the disciplines that one normally associates with preservation activities, and I don't anticipate a need to change the nature of the staff.

CASELOAD CARRYOVER

Senator McCLURE. For fiscal year 1981 and fiscal year 1982 you estimate a carryover of about 450 projects under review from one year to the next. What would be the average age of these projects? How long have they been before you for review?

Mr. GARVEY. Well, let me say that that's a very difficult thing to estimate because in the last 2 months of the fiscal year we get an abnormal case flow that may be counted as carryovers.

Senator McCLURE. Is that all you're talking about, just those that come in in the last 2 months?

Mr. GARVEY. The normal review time for a project within our office, is less than 60 days. However, I must tell you that I've got one or two that are 5 years old, because of their sheer magnitude and their complex elements. For example there's a highway in Baltimore called I–83.

Senator McCLURE. We had to wait until we could relocate the dog pound.

Mr. GARVEY. First we had to move the highway from Fort McHenry because that's where they were going to start the bridge across the harbor. That's when I first learned about it, and if your recollections go back that far, that's a long time. We're not finished with it yet.

Senator McCLURE. Well, the dog pound is moved.

Mr. GARVEY. They're digging a tunnel and preserving several neighborhoods, but I consider that still as a carryover.

Senator McCLURE. Aside from one or two. You say one or two out of those 450 are long term, like 4 or 5 years. How many of those are more than the 2 month's turnaround time that you would expect?

Mr. GARVEY. I would guess no more than 25 percent of them.

Senator McCLURE. One-fourth are somewhat more than 60 days in age. About how long would those 25 percent be in your office?

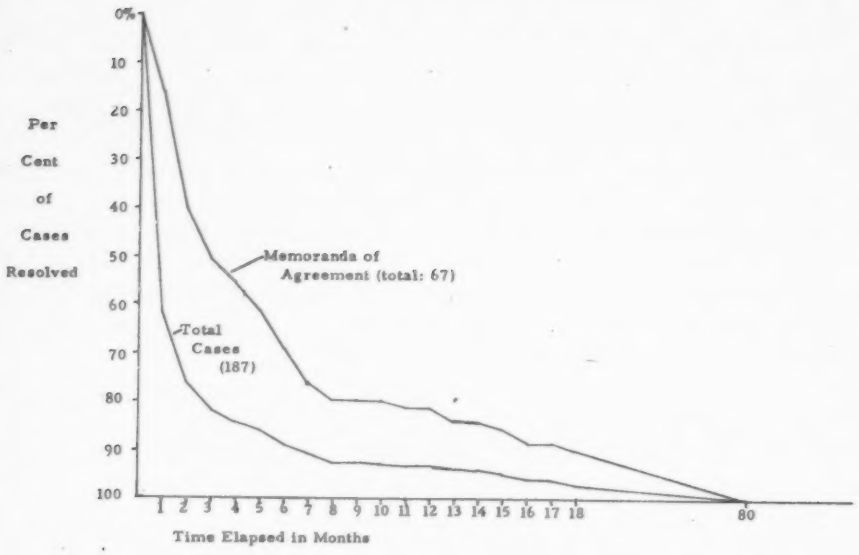
Mr. GARVEY. I have done, very recently, some statistical work on just this subject, and if I might, I'd like to give you a chart that shows this breakdown for the record. It's a very interesting chart, which I'm not sure you can see from there, except that it drops off here and then goes way out there. These are where they come in and they all fall out and then a few of them go way on across the page.

Senator McCLURE. I understand that. I'll look at that graph with a great deal of interest but we're going to find that difficult to put that in the record. It drops down here and shoots off there and doesn't relate very well to an understanding by the people who read the record.

Mr. GARVEY. I apologize. I'll give you some text to go with that.

Senator McCLURE. I'd appreciate it if you would.

[The information follows:]



Advisory Council on Historic Preservation: Per cent of cases resolved by month. Based on cases resolved from Oct. 1, 1980 to Jan. 31, 1981.

The graph illustrates that 75 percent of our project caseload is completed within 60 days and over 85 percent of cases are completed within 90 days.

TIME LIMIT ON CASE DISPOSITION

Senator McCLURE. There is no time limit imposed by statute or regulation upon the disposal of cases?

Mr. GARVEY. No, sir.

Senator McCLURE. Twenty-five percent out of 450 would be over 60 days in age.

Mr. GARVEY. Yes. Mr. Chairman, let me tell you that I'm not certain that my last answer was absolutely correct. In the Housing Act of last year there was an amendment that had to do with our dealing with UDAG programs, and I'm not so sure but what that amendment doesn't in fact impose a statutory time limit on our actions. If that's the case, I'd be pleased to submit something on that for the record.

Senator McCLURE. If you would do so, please.

Mr. GARVEY. I don't want to appear incorrect in your record.

[The information follows:]

Under part 801, Code of Federal Regulations, we have established a maximum Council review period of 90 days on UDAG projects. The Department of Housing and Urban Development has concurred with the proposal.

REVIEW OF TAX LAWS

Senator McCLURE. You made a comment a moment ago concerning the review of the tax laws and their effect upon historic preservation. You suggested that one, you were not going to be able to do what was necessary after that; and, two, that would require an increase in the budget under the directions to review the tax laws. Won't that be largely performed by contract?

Mr. GARVEY. We have a contract figure in our budget, and my anticipation of the use of that contract money would be to pull together the study as a finished product. We were instructed by the Congress to do this in the 12-month period that began on December 12. We went to OMB and asked for supplemental funds to do the tax study because we had already entered fiscal 1981. That request was denied, and I thereupon reprogramed some money in our own small budget to begin preliminary work on such a study. Also, I have had discussions with the national trust. The law instructs us to seek the cooperation of Treasury and the Interior Department as well, and I have approached those secretaries for that assistance.

Senator MCCLURE. When you say approached them, did you get anything from them?

Mr. GARVEY. Well, I haven't yet. I have some promises that may give us exactly what we need, and they may not.

Senator MCCLURE. How soon will you know?

Mr. GARVEY. Within the next 6 weeks we should have some final answers on how much help we're going to get from outside.

Senator MCCLURE. Is there any constructive help we can give you in that regard? I would invite you to invite us to assist if you think that's necessary. On the other hand, if our intervention would be counterproductive, we'd like to have your advice on that and we'll stay away. We'd be pleased to find out what kind of cooperation and assistance you'd like to get in those areas.

Mr. GARVEY. I would like, Mr. Chairman, to see if we can't produce this on our own, and if we're unable to, I shall certainly come to you.

Senator MCCLURE. I think there is the time constraint involved. So I was hoping you would look at that relatively soon to get that cooperation. I recognize that's a little difficult to know now during the transition from one administration to another.

Mr. GARVEY. Well, at Treasury the transition got an early start, somewhat before January 20, so our conversations are working fairly well there. At Interior the illness of a key person has delayed any discussions, so we've had to more or less start over and, frankly, we haven't yet really found a place to work at getting that help out of Interior.

Senator MCCLURE. If you have to absorb it within your own personnel without additional personnel, without the outside help, what would you have to forego in order to absorb that work?

Mr. GARVEY. Mr. Chairman, I don't think we can do that. In the first place, this is a tax study. I have the best historic preservation lawyers in the business in my office, but they're not tax lawyers. And there are ramifications to the full range of tax laws that we couldn't cope with. It's going to take outside help. The Congress did give us the authority to accept donations in the 1980 amendments, and we have had one or two very informal discussions about some pro bono help from legal institutions outside of Government.

There's no way we could do it in-house.

MX MISSILE SYSTEM

Senator McCLURE. I have a number of questions which I will submit for your response in writing. I want to conclude by asking a couple questions with respect to the MX missile system. The draft EIS has already been completed on that, has it not?

Mr. GARVEY. It is completed, yes, sir.

Senator McCLURE. Do you regard the draft EIS as being deficient in its assessment for the need for historic preservation?

Mr. GARVEY. We believe, Mr. Chairman, that the arrangements we have with the Air Force will be adequate to take care of the concerns of cultural and historic properties if we're able to devote the manpower at our end of the line.

Senator McCLURE. They will provide enough funds, or they will just give you enough cooperation?

Mr. GARVEY. If we can have a person who can devote the right attention to making sure they're doing what they've promised to do, we expect no major problems. I don't say this in the sense that the Air Force does not intend to do what it's agreed to do, but it's a big thing, so there needs to be lots of monitoring.

Senator McCLURE. But they have not offered to provide you with the funding for the personnel necessary to do that?

Mr. GARVEY. Those of us who are not in the Air Force, but have a part in the MX project have been instructed by OMB to seek funding through normal sources. I must say to you that if I don't get the resources, I'll go straight to the Air Force and ask them if they can't help us on a reimbursable basis.

Senator McCLURE. You have not asked them that?

Mr. GARVEY. We have not.

Senator McCLURE. I would think that might be a possibility. If a final decision on proceeding with the basic system for MX is not forthcoming before 1982, will these funds be needed? There is some doubt, you know, as to whether or not Congress is going to go along with that basic program.

Mr. GARVEY. Much of our work is planning and advance work, and the more that is done in the early stages, the more effective our work is in the final analysis.

Senator McCLURE. But you might plan an advance for something that never happens.

Mr. GARVEY. As a matter of fact, that's a very real possibility. But, on the other hand, if it does happen, it's going to have an effect that will be devastating to these resources unless we're right there. Much of our agreement with the Air Force deals with how impacts will be identified and treated before construction. This work needs to take place now, if problems are to be avoided when, and if the project goes forward. Also, the Air Force is already undertaking some pilot construction, seismic monitoring, water resource studies, and so on, which require monitoring.

Senator McCLURE. Long before we decided not to build a dam in the Middle Snake I was seeking funds for the necessary archeological and anthropological studies to determine what was there because it would be lost if the dam were built. I never got the money, the studies were

never conducted, the dam was never built, so whatever was there is still there.

Mr. GARVEY. That's marvelous.

SUBMITTED QUESTIONS

Senator MCCLURE. The balance of the questions I will submit for the record. We would appreciate your relatively rapid response to the questions. I don't think they're unduly complex.

Mr. GARVEY. We'll get the answers to your questions back to you as soon as possible.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Once listed on the National Register, can ACHP do anything directly to protect them? Can the State Historic Preservation Officer prevent Federal or State projects from proceeding?

Mr. Garvey. The Council's Section 106 review process protects properties listed in and eligible for the National Register by providing for their full consideration by the Federal agency in its project planning. That is what the law requires, and that is what we attempt to promote. The process is one of weighing and balancing, seeking the public interest. We try to help the Federal agency, which is the ultimate decisionmaker, achieve a balance in which the project can go forward while reasonable steps are taken to preserve or, failing that, to record for posterity, the historic properties involved. The law provides, and the Council exercises no authority to veto or halt Federal projects. The requirements of Section 106 are strictly procedural.

There is nothing in Federal law that allows the State Historic Preservation Officer to stop Federal projects. The State Historic Preservation Officer may be given greater authority over State projects by State law, but that is totally unrelated to Section 106, other parts of the National Historic preservation Act, or any other Federal mandate or authority.

Senator McClure. Does ACHP focus exclusively on preventing projects from damaging a historic site or does ACHP try to positively influence project plans to incorporate historic values? Can you give us an example?

Mr. Garvey. The Council definitely tries to encourage the positive use of historic properties in project development; that is the best form of preservation. As a general example, I can point to the fact that we have many cases in which, when the agency comes to us for comment, complete or substantial demolition of buildings is proposed, but when the consultation process brings about a fair consideration of the buildings in question, it is found to be more cost-effective to keep all or some of them and rehabilitate them.

As a specific example, we are working right now with the city of Indianapolis, Indiana, in development of a project for a retail mall to be financed by an Urban Development Action Grant. Originally, demolition of 15 historic buildings was proposed; now it looks like eight to ten of these will be incorporated positively into the project. This sort of positive effort doesn't always work, of course. In Wausau, Wisconsin, we reviewed a UDAG project to demolish some 20% of the downtown to put in a suburban-style mall. We suggested ways to save and effectively reuse most of the historic buildings within the project, but the city expressed only outrage that we would so meddle in its affairs. We invested considerable effort in this case, and never did get what we would call serious consideration of reuse opportunities.

Finally, let me mention the California Desert Conservation Area, where our Memorandum of Agreement with BLM calls for BLM to coordinate a volunteer program for identifying and protecting archeological sites and other historic properties. We see this as a positive step toward reducing vandalism, encouraging public interest, providing recreation, and reducing the cost of survey and protection.

Senator McClure. Does ACHP have a role in private construction projects or just those federally and State-assisted projects?

Mr. Garvey. Unless there are Federal funds, assistance, or permits involved in a private undertaking, the Council has no mandated role. Similarly, we have no formal role in projects that involve State but not Federal assistance. We do encourage preservation in non-Federal projects, to the extent we can. For example, we have recently published a booklet on neighborhood conservation which describes strategies that can be used in neighborhood revitalization efforts.

Senator McClure. On pages 16 and 17 of your justifications, you indicate that the ACHP will "screen" 1,450 projects in 1982 and "review" 1,900 projects. What is the distinction between those actions?

Mr. Garvey. A "screened" project is one that we look over quickly and set aside. For example, we receive many notices from the Corps of Engineers regarding potential issuance of permits for discharging material or constructing things in waterways. Many of these permit projects are very small, and while they may have impacts on historic properties, we judge the likelihood of such impacts to be low, and we cannot allocate staff resources to looking into them. Since such permit notices also go the State Historic Preservation Officers, we feel fairly confident that problem cases will be identified at that level. So, we look at the notices briefly, and if we have no reason to suspect, based on prior cases in the area, expressions from the public, or information from the SHPO or another authority, that a problem exists, we set the notice aside. A project that is reviewed involves our provision of substantive or procedural advice to the agency, and/or the consultation process outlined in our regulations.

Senator McClure. How long do cases that require an intensive ACHP review take, on the average? Give us some examples. Have recent historic preservation reviews held any cases up longer than 90 days? Give us some examples.

Mr. Garvey. As I noted, Mr. Chairman, the average case is out of our office within about 60 d ys after we receive it. Some cases take longer, but usually the length of time is a function of the responsible agency's project planning process, rather than of our review per se. That is to say, the agency may integrate segments of our review process with segments of its overall planning process that are widely separated in time. Delays may also occur as the results of complex issues involved in the case, provisions of insufficient information at the outset, and the logistics of coordinating the consulting parties, particularly where substantial public controversy is involved.

It is instructive to look at two recently resolved cases that have been pending for nearly 80 months. One of them, the California Desert Conservation Area Plan, was initiated by the Department of the Interior in 1973, when it began Plan development, but has since progressed with fits and starts, and

even a suspension of several years as Plan development has proceeded. The delivery of our comment in late 1980 fit well within Interior's schedule and caused no delay. The other, the disposition of the Thames River Shipyard in Connecticut, was brought to our attention by the U.S. Coast Guard at the time it first considered abandoning the shipyard. However, consultation was delayed until the property had been transferred to GSA, and GSA in turn had begun its disposition process; once GSA brought the matter back to us, it took about 90 days to conclude the Memorandum of Agreement.

It is not feasible to establish firm deadlines because each case involves its own planning schedule set by the sponsoring agency and its own, distinctive problems. Despite this, as the graph furnished earlier in our testimony shows, the Council carries out its review of these cases in a timely manner: 40% of cases involving Memorandum of Agreement are resolved within 3 months and 75% are resolved within 7 months. For example, when Jersey City notified us on November 20th that it intended to construct a parking garage in a historic district, we were able to reach a consensus 3 weeks later, on the 15th of December. When HUD proposed a housing development that would intrude upon the Petersburg National Battlefield Park in Petersburg, Virginia, we were able to reach an agreement within 6 months, even though the project provoked controversy among local residents and Civil War historians and required us to hold both an onsite inspection and a public information meeting. Incidentally, that agreement was concluded in September, and HUD has not yet given final approval to the project.

Of the 187 cases that the Council resolved in the first 4 months of fiscal year 1982, only 32 required more than 90 days. As my examples have shown, reviews of this duration are frequently required by the planning schedule of a particular project; the longest reviews are usually beyond our control, such as the California Desert Management Plan, where Interior simply had nothing to be reviewed for several years at a time.

Senator McClure. On page 19, the justification discusses the workload anticipated as a result of the addition of Section 110 to the National Historic Preservation Act. What is new about these responsibilities, that is, what are the major differences between these reviews and the current Section 106 reviews?

Mr. Garvey. Under Section 106, the Council is authorized to comment on Federal undertakings. Generally, these are particiular projects a reservoir here, a highway there. Over the last several years we have encouraged agencies to enter into programmatic consultation with us, to eliminate the need for many case-specific reviews, but our only basis for this encouragement has been argument that such an approach would be more efficient. This is persuasive to many agencies, but not to all. The direction given agencies by Section 110, and the program review authority given the Council by Section 202(a)(6), give us a much better basis for programmatic coordination.

Furthermore, it is important not to review Section 110 in a vacuum; other authorities and responsibilities interact with it. Among the most important of these is the authority given the Council by Section 214 to establish procedures for exempting agency programs from all and parts of the Act. We see the potential for using this exemption authority to streamline many aspects of the preservation system where agencies establish effective programs under Section 110. For example, the Bureau of Land Management has a generally effective system for identifying archeological sites in advance of construction and land use projects, and avoiding them when such projects go forward. BLM argues, properly enough, that since it is avoiding damage to the sites, there is no need to determine their eligibility for the National Register or to consult with the Council. The only problems with this argument are that (a) since the sites are not evaluated, it is possible that considerable time and effort are sometimes expended to avoid insignificant properties, and that (b) eventually, ~~it~~ it is likely in any given project that BLM will find a site that it cannot avoid; then, late in the planning process or even during construction, it will be confronted with the need to comply with Section 106. We can envision working with BLM

in establishing systems under Section 110 to resolve these problems in substance, and on the strength of such resolutions, exempting BLM from the procedural requirements of Section 106 and related sections.

In short, then, the amendments will likely result in an increased interest by agencies in programmatic consultation, and they give us some very valuable new tools us in the consultation process.

Senator McClure. What types of data are available to show ACHP involvement in Federal energy-related projects? Does ACHP try to accelerate its review of projects adding to our energy capabilities?

Mr. Garvey. Yes, we do. As indicated in the budget justification, we expedite review of such projects by seeking to enter into programmatic agreements about how historic properties will be identified and incorporated into project planning and implementation. In other words, we do our consultation "up front," rather than when threatened properties are identified and project delays are possible.

We have a single agreement with BLM, USGS, and OCS that eliminates the need for virtually all case-by-case review of coal mines on public lands. We also have agreements like those discussed above, setting forth steps to be taken during project implementation, on the Arctic Natural Gas Transportation System, the Coso Hot Springs Geothermal Development in California, the White Mountain Uranium Project in Utah, and several other such major energy projects. Consultation is in progress on such projects as the MAPCO Liquid Hydrocarbons pipeline from Wyoming to Texas, a Shell Oil carbon dioxide pipeline (to recharge spent wells) from Colorado to Texas, a coal slurry pipeline from Wyoming to Louisiana, and a coal gassification plant in Wyoming. Incidentally, we expect that the new flexibility given us by the Amendments of 1980 will make it much easier to develop such programmatic approaches to energy projects.

Senator McClure. In response to the expanded State and local role in the administration of the National Historic Preservation Program, you are

proposing a $68,000 increase for training Federal agency preservation officers and local officials. Doesn't the law require that "qualified" persons will be selected? In prior years, you offered such a traning program on a reimbursable basis on conjunction with a private contractor. How was that received? What did it cost? If the training is good, won't States and other local units of government pay for it? How many localities already have historic preservation staffs of one sort or another?

Mr. Garvey. Section 110(c) recognizes the value of training of achieving qualification for Federal "preservation officers." What we propose here is to acquaint these officials, who may be (but not necessarily) qualified in the disciplines associated with historic preservation--such as history, architecture, or archeology--with the environmental review system for historic and cultural properties in which they must work in order to effectively carry out their duties in the Federal sector. Qualification in the context of Section 110(c) thus means understanding the way the Federal program works.

For the past year or so, we have been offering a 3-day course on "Historic Preservation and Federal Projects" to groups. This was done through a contract with Harbridge House, an educational consulting firm located in Boston, Massachusetts. In order for the course to be given, a Federal agency, State, or local group has to act as a sponsoring body, which includes assembling the necessary participants, securing their registration fees, and providing space and equipment for the course.

While the course was well-received, it became apparent that there were many individuals who desired to take the training but could not sponsor it, and there was resistance to the cost--$6,000 for 30 participants. Other than the costs of course development, there is no expenditure of appropriated funds for giving the course.

Training in the Section 106 process has become more important than ever with the passage of the 1980 Amendments in that Federal agencies now have to have identifiable programs, and local governments, if they are certified,

can participate in the administration of the national historic preservation program.

To meet the challenge and to solve some of the programs with the earlier course, we reached agreement with the Office of Personnel Management to add it to general curriculum. We have condensed that course into 2 days, and to give the new participants in the Federal program the training they need to assume their duties in an effective and efficient manner, we propose to absorb the overhead costs for 13 sessions in FY 1982. Without that assistance the course would cost each participant $145. With the Council absorbing part of the cost, we can provide the service for about $50 per participant.

Our experience shows that we can greatly reduce the time it takes to process undertakings if the parties who initiate them understand what "effects" are and how to take them into account. Therefore, we believe this small investment will yield great return in reducing time delay and in saving historic and cultural property.

We believe that there are as many as 700 cities that have the ability to gain certification in a reasonable period. These are cities that have local ordinances that protect their historic and cultural resources and, therefore, have the base for assuming more responsibility. What we would attempt to do in FY 1982 is to reach those cities that have such programs and may involved in development projects of large magnitude in the near future.

Senator McClure. Your justification on page 25 discusses the expanded ACHP responsibilities in reviewing and assessing the effectiveness of Federal, State, local and private sector programs and in recommending improvements and requests $40,000 to fund them. What types of related activities have ACHP carried out in recent years? What projects would be dropped if this proposal has to be absorbed in FY 1982?

Mr. Garvey. In our past three annual reports, we have attempted on a limited scale to make some observations on problems and issues in historic preservation, which relate to the adequacy of Federal programs. In Report 1978, for example, we made assessments concerning the management of historic and cultural resources by the various agencies of the Government on the basis of reports requested from them, which were included as an appendix. We were able to undertake this kind of effort only because of a supplemental appropriation for that year and have been unable to do it since. We have at times focused on a particular set of issues and recommended ways of dealing with them. Our study of the Federal archeology program is a case in point. We have never been able to do the same kind of thing for State and local programs.

The 1980 amendments give the Council the responsibility to review and make recommendations on Federal, State, and local preservation programs. Consequently, while we have some experience in doing assessments in the Federal sector, we need assistance in developing a way to collect the information on State and local programs and putting the information together. This budget submission is our first opportunity to seek funds to carry out our legislated reponsibilities. We would like to find someone with knowledge of State and local affairs through an Intergovernmental Personnel Agreement rather then requesting an additional position to do the work. Also, part of the budget requested would cover the increasing printing costs of a much larger, and more detailed annual report.

If we are denied funding for this activity, we will have to continue to do piecemeal assessments of Federal programs and rely on the "Overview" section of our annual reports to at least suggest where improvements might be made. We would not be able to carry out our new responsibilities of assessing State and local programs.

Senator McClure. The requested increase for Council Direction and Administration is $64,000, primarily to pay the increased space rental (+$39,000). The justification on page 28 shows this to be an increase of

47% over the base SLUC charge of $83,000. Who is responsible for an increase of this magnitude?

Mr. Garvey. Our Washington Office is located in a commercial building on K Street. The expired lease was renegotiated last summer by GSA and the building owner. We were informed that the new charges for our occupied space (6,675 Sq. Ft.) would be $16.70 per square foot, or $111,473 for our Washington headquarters.

In addition this budget submission is our first opportunity to request funds for our one field office in Lakewood, Colorado. Through FY 1980 the Denver Service Center of the National Park Service provided space at no cost for this small office. We were compelled to move to Lakewood in January 1980 and to reprogram other funds to cover rental costs the first year. The charges for 1,075 Sq. Ft. are $10.31 per square foot, or $11,083.

Senator McClure. On page 3 of your justification, you state that GSA will no longer reimburse the ACHP $90,000 for advice on acquiring or leasing historic buildings. You also state that ACHP will, therefore, no longer provide the guidance to GSA. Is this a valuable program? Does GSA still request assistance? How will the ACHP respond in FY 1982? Isn't the Council required to respond? Why doesn't the Council propose funding this in FY 1982?

Mr. Garvey. We think this is a valuable program, but is not without its problems. In the past years, we have made 60 reports to GSA identifying historic buildings sutiable for meeting Federal space needs. However, we can only point to one historic building--Union Station in Montgomery, Alabama--that has been acquired. Space has been leased in ten other historic buildings. Our experience has proven that the process established by the Cooperative Use Act does not allow external agency such as ours to decisively influence GSA's internal GSA decisonmaking structure to promote historic preservation opportunities, are now being considered by the Congress. If the legislation passes as proposed, the Council will no longer have a role in recommending individual buildings to GSA.

Under the present law, GSA is required to request our recommendations and the Council.is required to provide them. We are still receiving requests from GSA despite their termination of funding. However, we presently do not have the capability to respond and have been forced to terminate the staff we have employed for that purpose. With a budget as small as ours, it is not possible to absorb a $90,000 item.

We discussed with OMB inclusion of this cost in the Council's FY 1982 budget. We were told to seek funding from GSA which we did. The previous Administration denied our request. We will make a new request to the recently appointed Administration, but we have been given no indication that the response will be any more positive.

Senator McClure. On page ACHP-1 of your justification, you display an organization chart that shows 27 PFT. However, your justification material shows in other places that ACHP currently has 25 PFT positions. How do you reconcile this difference?

Mr. Garvey. Our present ceiling is 25 full-time permanent positions. The organization chart shows 27 full-time permanents which includes our 1982 buget request for two additional positions. The budget justification describes the new positions for the MX Missile program and the Council training programs.

Senator McClure. Section 302 of the 1980 Amendments amends Section 213 of the previous Act and seemingly makes USDI staff available to ACHP, through the Secretary of USDI, to assist in evaluating the impact of proposed projects and to develop recommended mitigation measures. Do you agree with this interpretation and, if so, what are your plans to use this provision?

Mr. Garvey. Yes, Mr. Chairman, we agree with the interpretation of Section 302 that you have set forth. We have planned to make use of Department of the Interior staff expertise in cases that were quite complex or sensitive and cases that would be presented to the Council. The staff of the Department

of the Interior has extensive expertise in technical aspects of preservation which the Council staff may not always have.

However, as you know, the Council and Federal agencies rely quite heavily upon the advice and information from the State Historic Preservation Officers in virtually all Section 106 cases. The network of State Historic Preservation Officers has been one of the most effective in providing preservation information and recommendations to Federal agencies and the Council. The FY 1982 budget for the Department of the Interior recommends eliminating from the Historic Preservation Fund that supports the State Historic Preservation Officers with the matching grants. A preliminary survey indicates that at least 50% of the State Historic Preservation Officers will either go out of existence or be greatly cut back. We anticipate that the involvement of all State Historic Preservation Officers in Section 106 cases will be curtailed. One way to fill this gap would be to call upon the staff resources of the Department of the Interior pursuant to Section 302. However, all developments in this area are purely speculative until the 1982 budget process advances further.

Senator McClure. In the event that the Committee needs to make budget reductions beyond what President Reagan has proposed, please provide the committee an alternative budget level, distributed by object class and by subactivity, representing a 10% reduction from 1981 appropriations enacted to date.

A 10% reduction of the 1981 appropriations level of $1,523,000 would amount to a $152,000 cut, or a budget of $1,371,000. Combined with rising personnel costs and actual rent increases we would be compelled to reduce about 2/3 of the temporary staff resulting in a drastic cutback of case reviews. The following chart presents a revised budget total by object class and subactivity:

($000)

Object Classification	1981 Appn.	Reduction (10%)	Alternative Budget
11 Salaries	998	-99	899
12 Benefits	85	- 5	80
21 Travel	100	-10	90
22 Transportation of things	10	-10	-
23.1 Rent	83	+39	122
23.2 Other Rent, Comm.	33	-	33
24 Printing	57	-27	30
25 Other Service	119	-19	100
26 Supplies	16	-6	10
31 Equipment	22	-15	7
TOTAL	1,523	-152	1,371

Subactivity			
Council Direction and Administration	691	-50	641
(Common Program Services)	(330)	(-25)	(305)
Cultural Resources Preservation	734	-102	632
Policy and Program Development	98	-	98
	1,523	152	1,371

Senator McClure. On page 5 of your testimony, you mention that you are considering legislative recommendations. What do you have in mind?

Mr. Garvey. The expectation in the legislative history of the 1980 Amendments is that our analysis and evaluation of Federal, State, and local efforts in carrying out the purposes of the National Historic Preservation Act will result in legislative recommendations. I cannot predict what they will be until the analysis and evaluation has been performed. Recommendations adopted by the members of the Council on the basis of the assessment presented to them will reflect their knowlege and experience and, for that reason, are likely to be specific and keyed to existing legislation where possible.

Senator McClure. Also on page 5, you state that you will begin the study on tax laws and their relationship to historic preservation programs in 1981. What projects will you drop in order to start this study in 1981?

Mr. Garvey. We do not anticipate eliminating any programs in total for FY 1981. Since OMB has placed spending controls on travel, equipment procurement, and hiring of consultants, we expect to apply any savings from these activities toward the tax study. We will divert $10,000 from the travel budget and $15,000 from our equipment budget to begin the tax study. As I have stated earlier we will need funds in the FY 1982 to complete the tax study.

SUBCOMMITTEE RECESS

Senator McCLURE. Thank you very much, Mr. Garvey.

The subcommittee will stand in recess until 9 o'clock on Wednesday, March 25.

[Whereupon, at 11:45 a.m., Wednesday, March 4, the subcommittee was recessed, to reconvene at 9 a.m., Wednesday, March 25.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1982

WEDNESDAY, MARCH 25, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 9:05 a.m., in room 1114, Everett McKinley Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure, Andrews, and Huddleston.

DEPARTMENT OF ENERGY

STATEMENT OF ROGER W. A. LE GASSIE, ACTING ASSISTANT SECRETARY FOR FOSSIL ENERGY

ACCOMPANIED BY:

FRANK DE GEORGE, ACTING ASSISTANT SECRETARY FOR CONSERVATION
EVERETT PYATT, ACTING DIRECTOR, OFFICE OF ALCOHOL FUELS
ROBERT L. SAN MARTIN, DEPUTY ASSISTANT SECRETARY FOR RENEWABLE ENERGY
ELLISON BURTON

OPENING REMARKS

Senator MCCLURE. The meeting will come to order.

This is the time scheduled to hear the fiscal year 1982 request for DOE's Economic Regulatory Administration, as well as to review the various alternative fuels programs administered by the Department of Energy. We will begin with alternative fuels, much of whose appropriations originally provided in the committee's 1980 Appropriations Act are being proposed for rescission in fiscal year 1981 and no funding for fiscal year 1982.

Included in the rescission package recently sent to us by the President are a cut of $300 million for feasibility studies and cooperative agreements under title I of the Energy Security Act and a cut of $740.5 million for alcohol fuel loan guarantee activities under title II of that act. Neither of these two areas is proposed for funding in fiscal 1982.

A third area of activity where financial incentives are authorized under the Defense Production and Federal Nonnuclear Research and Development Acts is proposed for continuation with no changes in fiscal year 1981 funding. However, I understand no funding is being requested for the upcoming fiscal year in anticipation that control and financial responsibility for the activities in this area will be assumed by the Synthetic Fuels Corporation. We will get into this much deeper in a few minutes.

With us here today are Mr. Roger W. A. LeGassie, Acting Assistant Secretary for Fossil Energy, and Mr. Frank DeGeorge, Acting Assistant Secretary for Conservation and Renewable Energy.

Gentlemen, welcome. I would invite you to introduce your associates and proceed to highlight your statements. Your full statement will, of course, be printed in the record.

Mr. LEGASSIE. Thank you, Mr. Chairman. I am Mr. LeGassie. Mr. DeGeorge is at my left. At his left is Mr. Everett Pyatt, director of the Alcohol Fuels Office.

I am going to start by briefly summarizing my statement.

The feasibility studies and cooperative agreements administered by the Resource Applications Office have been transferred now to the Assistant Secretary for Fossil Energy as part of the Department of Energy reorganization that took place about 1 month ago. In addition, I also have the responsibility for the activities associated with the Defense Production Act and the Federal Nonnuclear R. & D. Act. I will speak to these items, and Mr. DeGeorge will then speak to alcohol fuels, biomass, and urban-waste activities.

As you had indicated, we have three major activities. Under the Defense Production Act, we have $3 billion available and are in active negotiation with three proposers who had been selected previously. We are conducting these negotiations with the assistance of representatives of the Synthetic Fuels Corporation as part of the negotiating teams, so that the viewpoints of the Corporation, which may ultimately receive the projects, are being represented in the negotiations.

Those negotiations are proceeding. There is no delay or slowdown in that activity. We are unable to say when they will be consummated, because we clearly don't want to be pressing the negotiators against some deadline and thereby giving leverage to those on the other side of the table who are negotiating with us. But we are seriously interested in reaching final agreements and will do so as rapidly as we can.

The Nonnuclear Act contains $2 billion. It really has two elements. We are evaluating some 10 proposals that are now in hand, from an original number of 15 that we received. Five of those proposals were rejected in the initial screening for various technical reasons.

The criteria were clearly set forth. The reasons for initial rejection were such matters as whether or not the President of the Corporation signed the proposal, and matters of that kind, not matters requiring judgment.

The remaining 10 proposals are in evaluation against criteria of the solicitation. We expect that to be completed by the end of the month, so we are rapidly approaching the completion of that task. Until that is completed, I can't give you a timetable for further action until we receive the report of the evaluation team and make some judgments about how complex the job is, from that point to, hopefully, consummation.

Also, an applicant for the funds within that program is the Great Plains gasification project, or plant, the ANR project, as it is called. We are expecting a new proposal from ANR to be received by the Department for loan guarantees. It would be eligible for consideration under the Nonnuclear Act. If such a proposal is received, we will give it very prompt consideration and evaluation.

As you may be aware, there was a previous proposal and activity in this area. But the original anticipated course of action by ANR cannot be followed, and they have to submit a new proposal.

So on the Nonnuclear Act, we have some things yet to happen before we will be able to be very definitive about how all that will proceed. Those activities will continue, and no rescission is being requested.

The portion of the program I'm responsible for that has rescissions relates to the so-called second round of feasibility studies and cooperative agreements, an amount of about $300 million, for which a number of firms were selected for negotiation. And those negotiations are in process.

However, it is our recommendation that this money be rescinded by the Congress and that those arrangements not be consummated, because we don't believe them to be central to the objective of getting capacity on line, which is the Synthetic Fuels Corporation objective under the act passed by Congress.

These are in many cases paper studies which do not need to be supported by the Government now, given the rising cost of energy and the economic status of a number of these activities. Or in other cases, in the cooperative agreement area, we think that the partners ought to make a decision to actually go into construction, in which case they can deal directly with the Synthetic Fuels Corporation rather than this first step with the Department of Energy.

I would like to conclude my opening remarks at this point. I'm sure you will be returning for questions in many of these areas.

Senator McCLURE. Thank you.

We will hear from Mr. DeGeorge.

Mr. DEGEORGE. Mr. Chairman, as you know the President's budget for 1982 has a substantial reduction in alcohol fuels, biomass, and municipal waste loan guarantees.

I have with me today Mr. Pyatt, who is with the Office of Alcohol Fuels, and Dr. San Martin, who can deal with the biomass loan guarantees.

The basic thrust is that the President feels the marketplace of oil will push these firms, these municipalities, these agencies in the direction of specific investments on their own. In addition to that, there is the proposed accelerated depreciation schedule and the investment tax credits, both Federal and State.

The basic thrust of the budget for alcohol fuels is that these incentives for investments, plus the capacity that is being developed on its own, do not call for loan guarantees and feasibility studies.

Research and development will continue both in biomass and in alcohol fuels. However, at this time those numbers are relatively insignificant compared to the loan guarantee funds previously submitted to this committee.

That concludes my opening remarks, Mr. Chairman.

PREPARED STATEMENT

Senator McCLURE. Thank you. We will include your statement at this point.

[The statement follows:]

STATEMENT OF FRANK DEGEORGE

I appreciate this opportunity to appear before you today to discuss the Department of Energy's Alternative Fuels Program which includes Biomass, Alcohol Fuels and Municipal Waste. As you may already know, all the major renewable energy programs are now coordinated by the Assistant Secretary for Conservation and Renewable Energy.

The Administration's policy on alcohol fuels, biomass and municipal waste financial incentives is based on the premise that the private market should determine the role of alternative fuels development. The Administration supports a continuation of Federal incentives through tax credits and the Federal excise tax exemption for gasohol. Direct government spending programs for feasibility studies, cooperative agreements and loan guarantees are being proposed for rescission. These additional direct government spending programs are not needed in light of the other financial subsudies now available. For example:

- The 4 cent per gallon excise tax exemption for gasohol (a mixture of 10% alcohol and 90% unleaded gasoline) results in a subsidy of $16.80 per barrel of alcohol. This subsidy reduces the cost of gasohol to the point where it is competitive with gasoline. The Federal excise tax exemption will result in an estimated tax expenditure of approximately $2 billion over the next 5 years.
- In addition, approximately 30 States provide tax credits for gasohol ranging from 2 cents to 10 cents per gallon.
- Capital investment in alcohol fuels, biomass and urban waste projects are made more attractive because certain types of plant and equipment are eligible for an investment tax credit of 20%. In 1982, these costs will result in tax expenditures of over $200 million.

In addition to these incentives, the President's Economic Recovery Program will provide additional new stimuli for alcohol fuels, biomass and municipal waste production. For example, as a result of the President's decision to lift controls on domestic crude oil prices, alcohol fuels will become even more competitive with gasohol. In addition, the combined effect of the Administration proposals for income tax cuts, accelerated depreciation and reductions in Federal credit activities will stimulate greater capital availability in the private sector for all types of alternative fuel projects.

We believe that these proposals will, in the long run, have a more positive effect on alternative fuels development than a contribution of excessive government spending programs which merely lead to higher inflation, high interest rates and less capital availability in the private sector.

As indicated by Mr. LeGassie, the revised FY 1981 and FY 1982 budget requests for biomass, alcohol fuels and municipal waste reflect the Administration's philosophy that the appropriate Federal role in alternative fuels is to pursue long-term, high-risk research and development which private industry cannot be expected to undertake. Accordingly, it is expected that near-term and commercially-proven renewable energy technologies will be developed by the private sector. The Office of Renewable Energy maintains ongoing research and development programs in these technology areas in addition to the financial incentives programs I will be discussing today. A table showing Budget Appropriations and Requests from FY 1980 to FY 1982 for the alternative fuels financial incentives in these programs is attached for the record with my testimony.

ALTERNATIVE FUELS PROGRAM

I would like to begin by briefly reviewing the Alternative Fuels Program, specifically in regard to feasibility studies, cooperative

agreements and loan guarantees. As you know, in November 1979, the Interior and Related Agencies Appropriations Act for 1980 (P.L. 96-126), established an Energy Security Reserve to stimulate domestic commercial production of alternative fuels. $200 million was made available through the Department of Energy for alternative fuels feasibility studies and cooperative agreements. An additional $100 million for feasibility studies and $200 million for cooperative agreements were supplied in July 1980 through P.L. 96-304, the Supplemental Appropriations and Rescissions Act of 1980. Together, these two pieces of legislation provided the funding for the Alternative Fuels Program.

For biomass technologies other than alcohol fuels, the program has funded one round of solicitations, that will be managed by the Biomass Energy Systems Division. DOE selected twelve projects for awards totalling $7.1 million in July 1980. The projects chosen include eleven feasibility studies and one cooperative agreement. The purpose of the feasibility studies is to support efforts leading to a decision for the construction of a commercial scale facility. The feasibility studies which were selected supported the development of gasification technologies, technologies for the densification of wood in order to make it a more versatile fuel, and processes for the production of liquid fuels.

The cost-shared cooperative agreements are designed to provide front end funding for the detailed design and construction of commercial projects. The single cooperative agreement for biomass technologies funded in this round will subsidize the construction of a wood-fueled gasifier. Projects funded under the first solicitation have been negotiated and contracts are in place.

A second solicitation under the Alternative Fuels Program began in July 1980, and in December 1980 DOE announced selection of an additional nine biomass technology projects with proposed funding of $7.1 million. A third solicitation, solely for innovative direct combustion systems, ended in January of this year. Funds for these projects are proposed for rescission.

In the area of municipal waste, alternative fuels projects were funded under the first round of solicitations totaling $11 million. Of these, 15 feasibility studies were for municipal waste/energy projects totaling $7 million, and three were cooperative agreements totaling $4 million. The municipal waste projects selected in the first solicitation covered a wide range of technologies from the recovery of gas from landfills to the production of refuse-derived fuels.

The second solicitation for alternative fuels projects resulted in the selection of 16 projects in municipal waste, including 10 feasibility studies and six cooperative agreements. As with the biomass projects, funding for these projects is proposed for rescission.

In the area of alcohol fuels applications, two solicitations were conducted for federal assistance to those individuals, firms or local governmental entities seeking direct Federal support for alcohol fuels projects. The first round closed in April 1980, with 44 alcohol fuels projects selected and funded. In the second round 12 firms were named as potential recipients; however, these projects will not be funded.

In the area of cooperative agreements for alcohol fuels two solicitations were also conducted for contracts where the Federal government subsidizes design or construction of alcohol fuels plants. In July 1980, two plants were chosen as award recipients. Since then, a letter of commitment has been given to both firms and negotiations are in progress. The second round closed September 30, 1980, with six projects identified as potential recipients. Funds for these six projects are proposed for rescission.

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The Administration has proposed termination of feasibility studies and cooperative agreements for alcohol fuels, biomass and municipal waste energy development as part of the general effort to adopt market principles to achieve national energy goals. Tax credits and excise tax exemptions will continue totalling over $431 million in FY 1982. The removal of price controls from domestic crude oil will make alternative fuels more competitive and eliminate the need for additional subsidies such as those provided for in P.L. 96-126. State incentive programs and the increased private capital available for investment as a result of the President's Program for Economic Recovery will provide further assistance to viable alternative fuels.

As a result of this change in policy, projects currently in the selection process under the Department of Energy which propose such feasibility studies or cooperative agreements are not being funded pending Congressional review of this action. These projects will have to compete for financing in private markets along with other energy projects. Projects previously funded will be completed, however.

ENERGY SECURITY ACT

Title II of the Energy Security Act signed into law in June 1980, authorized either the Departments of Agriculture or Energy use of loan guarantees, purchase agreements, price support loans, price guarantees and construction loans as financial incentives to promote production and use of energy from biomass, municipal waste and alcohol fuels technologies. The two Departments decided to limit financial incentives for alcohol and biomass under the program to loan guarantees.

Preliminary regulations for the loan guarantee program were developed and published in the Federal Register on August 14, 1980 for public review and comment. Three public hearings were conducted, as well as a prebidders conference, in major cities across the country. The final regulations were published in the Federal Register on October 8, 1980. Sixteen alcohol fuels projects were selected for further negotiations for loans guarantees. The proposed program would guarantee three dollars in construction loans for each dollar of its loan guarantee appropriation. A number of proposals were received for municipal waste and biomass loans guarantees. Negotiations have not been initiated for these.

A second solicitation for loan guarantees for biomass energy was completed on December 31, 1980. Negotiations will not be pursued in keeping with the Administration's recommended rescissions.

In addition, to the solicitation cycles several other activities required by the Energy Security Act have been completed. Consultations have been pursued with the Department of Agriculture to establish a Memorandum of Understanding. The memorandum would address categories of projects automatically exempted from a requirement for formal, written concurrence by each Secretary before the other can take action on a loan guarantee. Also completed is a second report required under the Act which lists all private, state and Federal benefits available for production of fuel alcohol.

In addition extensive program management, solicitation preparation, program evaluation and organizational activities have been underway in FY 1981 in support of the financial incentives programs provided in the Energy Security Act. The revised budget for these activities will be $4.5 million for FY 1981. In keeping with the Administration's revised alternative fuels strategy, these activities are proposed to be phased out. Consequently, no additional requests will be made for FY 1982.

As I mentioned earlier in my testimony, the Administration has proposed termination of all activities using Federal funds to support commercialization of the alternative fuels technologies. To achieve this policy change, the Administration will propose a rescission of $740.5 million of the funds appropriated in FY 1980.

In closing, we believe that the financial incentive programs that are underway will achieve significant progress in demonstrating the commercial potential of a number of biomass, municipal waste and alcohol fuels projects. It is now time to move development of these technologies into the private sector where the actions of the market place can determine the most cost-effective options for applications throughout the country. The Federal government will continue to pursue its broad program of research and development for longer range alternative fuels technologies. Through this active partnership between the public and private sectors alternative fuels will be most effectively implemented.

Mr. Chairman, this completes my prepared testimony. I would be pleased to answer any questions.

Department of Energy
Alternative Fuels Program

(BA in Millions)

	FY 1980 Appropriations	FY 1980 Obligation	Jan. 15 Submission FY 1981[1/]	Jan. 15 Submission FY 1982	Revised Budget FY 1981	Revised Budget FY 1982	Changes FY 1981	Changes FY 1982
Feasibility Studies and Cooperative Agreements								
Alcohol Fuels	-	55.0	-	-0-	-0-	-0-	-	-0-
Other Biomass	-	7.1	-	-0-	-0-	-0-	-	-0-
Municipal Waste	-	11.0	-	-0-	-0-	-0-	-	-0-
Other Alternatives	-	126.9	-	-0-	-0-	-0-	-	-0-
	$500.0[1/]	200.0	300.0	-0-	-0-	-0-	-300.0	-0-

1/ Total funds for all alternative fuels from fossil and renewable sources. No set-asides by resource area are made prior to project award decisions.

Department of Energy

Energy Security Act-Financial Incentives
(BA in Millions)

	FY 1980 Appropriation	Jan. 15 Submission FY 1981	Jan. 15 Submission FY 1982	Revised Budget FY 1981	Revised Budget FY 1982	Changes FY 1981	Changes FY 1982
Loan Guarantees							
Alcohol Fuels	$472.5	472.5	-0-	3.0	-0-	-469.5	-0-
Other Biomass	52.5	52.5	-0-	.4	-0-	- 52.1	-0-
Municipal Waste	220.0	220.5	-0-	1.1	-0-	-218.9	-0-
TOTAL	$745.0	$745.0	$-0-	$4.5	$-0-	$-740.5	-0-

STATEMENT OF ROGER W. A. LEGASSIE

Mr. Chairman and Members of the Committee, I am pleased to appear before you this morning to discuss the Alternative Fuels program under the cognizance of the Department of Energy.

As the Committee is aware, the Alternative Fuels program can basically be divided into three major areas: 1) feasibility studies and cooperative agreements; 2) incentives authorized under the Defense Production Act and the Federal Nonnuclear Research and Development Act; and 3) activities related to alcohol fuels, biomass and urban waste. I will discuss briefly the first two categories, and then turn to Mr. DeGeorge for a similar overview of the third.

With respect to the cooperative agreements and feasibility studies, the Department has been appropriated a total of $500 million under Public Laws 96-126 and 96-304. From the first round of proposals in this area, we are funding 103 feasibility studies and 11 cooperative agreements totaling approximately $200 million of Federal funds. These efforts are underway, and we are not recommending any changes in these activities.

Members of the Committee might also be interested in a description of resource and technology areas encompassed by the first round awards. Biomass projects accounted for 27 percent of the feasibility study funding and almost 38 percent of the cooperative agreements. Coal liquefaction projects made up 22 percent of the feasibility study funds and slightly more than 25 percent of the cooperative agreements. Coal-derived synthetic gas projects, both high, medium and low-Btu, totaled 23 percent of the feasibility study funding and 14 percent of the cooperative agreements. The remainder of the projects involved oil shale, tar sands, solid waste, unconventional gas, peat, and upgrading technologies.

Regarding the second round of similar activities, the Administration is seeking a rescission of the $300 million of appropriated funds. In December, 53 candidates were selected for further negotiations for feasibility studies and 26 for cooperative agreements. In addition, a solicitation involving innovative combustion technologies has been issued. The Administration's position is that these planning and study activities should more properly compete for financing in the private market along with other energy projects. We do not believe this action will in any way affect the quality of synthetic fuel projects which will ultimately receive financial assistance under our interim alternative fuels program or the Synthetic Fuels Corporation.

We are proposing no changes in the second category -- loan guarantees, price supports and purchase agreements authorized under the Defense Production Act and the Federal Nonnuclear Research and Development Act.

With respect to the Defense Production Act (DPA), 10 proposals for the production of fuels meeting defense needs were submitted in response to a solicitation issued in October 1980. The previous Administration announced in January that three of these were selected for negotiations which could lead to the issuance of conditional commitments. Two proposers -- Union Oil of California and TOSCO -- are planning commercial oil shale projects, both with prospective sites in Garfield County, Colorado. The third proposer -- Tennessee Synfuels Associates -- is a 3-member group made up of the Koppers Co., Cities Service Co., and The Continental Group. They propose a commercial coal-to-gasoline facility to be located near Oak Ridge, Tennessee.

The Acting Under Secretary recently established a centralized DPA negotiation team, and this group is holding discussions with the three proposers. I cannot give you a precise date by which conditional commitments will be reached, since this is solely a function of the negotiating

process. We have involved Synthetic Fuels Corporation officials in these talks to ensure that our negotiating posture is consistent with the requirements of the Corporation. This is particularly important since these projects could ultimately transfer to the Corporation. The cooperation of the Department of Defense has likewise been excellent and most beneficial in these negotiations.

With respect to the Nonnuclear Act, 10 proposals have emerged from an initial qualification screening and are currently being evaluated.

This process should be complete by about the end of March. These proposals represent the production of alternative fuels from oil shale, tar sands, peat, coal-oil mixtures, high Btu gas from coal, and hydrogen production by electrolysis.

In addition, we are expecting a proposal to revise the existing conditional loan guarantee commitment under the authority of the Nonnuclear Act with the Great Plains Gasification Associates. As the Committee is aware, this group of companies, headed by American Natural Resources, proposes to construct a commercial high-Btu gas project in Mercer County, North Dakota. We expect to make a final decision regarding a new conditional commitment for this project within a few weeks of receiving the revised proposal.

I might also mention, Mr. Chairman, that the Secretary has recently restructured the Department to streamline many of the activities. As part of this, several functions of the Office of Resource Applications, including those for the management of the Alternative Fuels program, have been transferred to the Office of Fossil Energy. We are currently preparing a revised Fossil Energy organization which would incorporate these functions, and I will be pleased to provide a description of the new organization to the Committee as soon as it is available. Regarding the Department's funding request for these activities in FY 1982, because the Synthetic Fuels Corporation will assume the primary Federal role in providing the financial stimulus for construction of synthetic fuel projects, no funds are being requested to continue these activities.

Before turning our formal presentation over to Mr. DeGeorge, I would like to reiterate the Administration's commitment to the establishment of a viable synthetic fuels industry in this country that is both efficient and economically competitive. This committee has been instrumental in the timely evolution of this new venture, and we are appreciative of your efforts. I look forward to working closely with you in the discussion of this important topic today and in the months ahead.

Thank you.

ENERGY SHORTAGES

Senator MCCLURE. Senator Andrews.

Senator ANDREWS. Thank you, Mr. Chairman. Before I go to the Budget Committee session, I want to ask a few questions and leave the rest to be answered for the record, if I could.

Senator MCCLURE. Of course.

Senator ANDREWS. During past energy disruptions, particularly shortages that resulted from the Iranian revolution recently, the Departments of Energy and Agriculture simply haven't worked well together to address agriculture's critical energy needs. Consequently, the Energy Department has failed to deal adequately with agriculture's critically short supplies.

What steps have you taken since assuming office to assure agriculture's energy supplies are well represented in national policy deliberations and action? What are you doing to undo what they did before?

Mr. DEGEORGE. Most of those decisions resulted from the allocation process.

Senator ANDREWS. That's right. Have you established a liaison with that department?

Mr. DEGEORGE. We have a liaison in many areas: biomass——

Senator ANDREWS. Specifically, energy needs and energy apportionment.

Mr. DEGEORGE. Not in the energy apportionment; no, sir.

ENERGY INDUSTRY ADVISORY COMMITTEE

Senator ANDREWS. I also understand you set up an energy industry advisory committee—Secretary Edwards recently set it up. Could you explain the process by which those representatives were chosen?

Again, I note that agriculture is not represented on that energy industry advisory committee.

Mr. LEGASSIE. Perhaps I should respond in that area.

My understanding is that the representatives to the Secretary's energy policy task force were selected from a series of recommendations that he obtained from his immediate staff. And it is true that there are quite a variety of different segments of the energy industry that one could say do not have a personal representative on that committee. It has 22 members.

To my knowledge, there have been quite a large number of entities who have come in the door and said, "Well, we don't find this kind of a person on the committee; we don't find that kind of person on the committee." I think it's probably impossible to cover in that way the entire energy community, with only 22 people.

Senator ANDREWS. That is fine, except that agriculture is a source of $40 billion of overseas export earnings and goes a long way to pay for the OPEC imports. It's also a highly energy-intensive industry.

To say that out of 22 representatives, the Department of Energy can't find some key spokesman for agriculture is appalling to me. I mean, don't you know the real world as it exists?

Mr. LEGASSIE. As I understand, the purpose of the committee was to give advice on how one might increase production of energy in this country, so——

Senator ANDREWS. Production and assure equitable distribution of product. And what area has more problems as far as equitable distribution of energy when there is a crunch than that tier of States ranging from Minnesota over through Idaho and on down into the rest of the upper Great Plains, that depends on the energy supply for the production of agricultural goods, food energy?

We got caught in this for the last 2 or 3 years under another administration. Now we have made contacts with the new people there, and they still seem to think that agriculture doesn't exist.

I would be interested in anything you could add for the record as to why, out of 22 people, you can't find somebody who is an adequate spokesman for agriculture.

Mr. LEGASSIE. I will do that, sir.

[The information follows:]

ENERGY POLICY TASK FORCE AND AGRICULTURAL SECTOR REPRESENTATION

Although the Energy Policy Task Force was established to think about energy policy as a whole, particular emphasis was placed on the problem of domestic energy production. Existing regulations and institutional barriers which inhibit energy production represent a major factor in our national energy problem. The energy producing sector has been distinctly under represented in DOE's past and existing advisory mechanisms. Members were chosen to provide a breadth of expertise and perspective within the constraints implied by constituting a group of workable size. Industry members were chosen to provide particular expertise in the area of energy production. Each of the individuals chosen to supplement the industry members represents a broad spectrum of energy consumer and environmental interests. It should be emphasized that the Energy Policy Task Force is but one mechanism for collecting insights into energy policy issues. In particular, DOE has scheduled seven public hearings, nationwide, and issued a general invitation for written statements. All of these inputs will be analyzed by DOE staff as part of our effort to prepare the third national energy plan and develop a longer-term policy action agenda.

BIOMASS FEEDSTOCKS

Senator ANDREWS. Another tie-in with agriculture is in the production of energy. What is your shop doing to coordinate your activities with USDA to secure a reliable supply of the major biomass feedstocks of crop residues, wood, and grass?

Here again is where it's at if you're going to produce energy from waste.

Mr. DEGEORGE. We have an interagency agreement with the Department of Agriculture, Senator Andrews, that basically deals with biomass, including forest products. And we feel that we have had not the best relationship in the past. We are working mightily to improve it.

Senator ANDREWS. Are you working toward setting up some demonstration plants devised to use this type of crop residue?

Mr. DEGEORGE. Yes, sir. Demonstration plants per se, I cannot give you absolute assurance. We are working with them to develop new products.

We have many plants, including gasification plants, that use wood products, such as wood chips. I do not know of any current plans for demonstration plants.

Senator ANDREWS. In my State of North Dakota, we have sugar beet production, barley and wheat production and potato production, all of

which produce sizable quantities of crop residues. If we get our share of ethanol from grain production proportional to the Nation's overall production, we would be producing about 50 million gallons of ethanol per year, according to your target studies. We have enough usable crop residues in the State to produce an additional 130 to 200 million gallons, depending on the method of production.

What is being done to inform farmers about the techniques? What is being done to develop potential markets? What has been done to set up demonstration plants to utilize this otherwise throw-away potential in our crop residue?

We have got a plant that was put together in the Grafton, N. Dak., area that would utilize virtually solely waste from potato processing. I'm sure this can be done in other areas.

This is one of the ones your new administration put the halt on after the approval had been given. Why are you against using waste to produce usable energy?

Mr. DEGEORGE. We are not against using waste, Senator. For many products plans are being developed. The technologies are known. There is no basic lack of technology, to my knowledge.

The Department of Energy has made the specific decision that once the technology is known, and it's not a basic, long-term research and development situation, commercialization responsibilities will be primarily left to the industrial sector.

Senator ANDREWS. Then let's assume that the technology is there. Again, using the Department of Agriculture as a model, they have an Extension Service to bring that out.

Could you provide for the record at this point what you have done to bring this technology out to the farmer and the small county area so that they can form their cooperatives, or their corporations, or the individual endeavors, to utilize this waste agricultural products? Can you provide that for the record and for this committee?

Mr. DEGEORGE. Yes; I know there have been some specific discussions with the Extension Service.

[The information follows:]

TECHNOLOGY TRANSFER TO THE FARMER

Presently, research efforts are geared toward studying the effects of removing different quantities of various crop residues on erosion, plant nutrients, and soil properties. Field sites have been selected that include the major soil types on which large quantities of residues are produced. This is a long-term research effort which will yield definitive guidelines regarding quantities of crop residues that may be removed. In addition, currently funded research focuses on the utilization of crop residues as feedstock for anaerobic digesters for on-farm use.

As part of the fiscal year 1981 DOE–USDA Science and Education Administration's agricultural energy plan, an effort will be undertaken to examine the removal, storage, and use of crop residues under circumstances where they can be used without long-term effects on soil fertility. Funding for this work will become available through a contract solicitation to be published in the Federal Register by USDA in April 1981.

When it is in the farmer's interest, USDA, as the field manager of DOE–USDA agricultural energy program, will rely on the extension service to transfer information to the agricultural sector.

GETTING TECHNOLOGY TO THE PEOPLE

Senator ANDREWS. I'm not talking about the Extension Service. You said the technology is there. I questioned the need for getting it out to people. You said you assumed it's going to flow.

What I want to know is what you have done to get that technology out, what you have made available either through your shop or through other agencies such as the Department of Agriculture Extension Service.

Mr. DEGEORGE. Yes, sir.

Senator ANDREWS. I appreciate very much the indulgence of my question. I have a couple of other questions I would like answered for the record.

Senator MCCLURE. They will be submitted for the record, and responses, when received, will be part of the record.

Senator Huddleston.

Senator HUDDLESTON. Thank you very much, Mr. Chairman.

Mr. LeGassie, I have a lot of concern with the direction the present administration appears to be going on the question of synthetic fuels and alternate fuels for our country, particularly for the short term. It seems to me that while we do a lot of talking about our national security and making a major effort in beefing up our military capability, the real key right now and in the short term for our national security is our energy supply. All the tanks, ships, and airplanes will be to very little avail if we don't have the energy to run them.

When I see the tremendous cutbacks that are being suggested in the entire energy program, including synfuels, alcohol fuels, solar, conservation, geothermal, hydro—in fact, everything, with the possible exception of nuclear, and even that, some research has been reduced—what options do we have left? What are we going to do in the short term if we have another interruption in our oil supply from the Mideast?

Mr. LEGASSIE. Well, in terms of bringing more capacity on line of domestic energy sources, it seems to me, Senator, that some of the crucial steps that we can take and are trying to take are in the area of unlocking private sector action.

Senator HUDDLESTON. What has happened in the private sector recently that's given you any encouragement or any indication that that would happen? Can you name anything?

Mr. LEGASSIE. Well, we do see, I think, the beginning of substantially greater amounts of exploration planned by the oil companies as a result of the funds available to them resulting from oil decontrol.

I have been visited by many coal companies who have expressed considerable enthusiasm to me of the actions that the administration plans to take in terms of reexamination of the Clean Air Act which could improve markets for coal and in areas of unblocking some of the regulatory requirements that would stimulate the development of coal mines. I think these actions will stimulate more use of coal.

Certainly, people in the nuclear industry believe that some of the indications that the administration has given about a much more positive view of that technology will assist in revitalizing that industry. So I think if you go across the board, you will find actions.

Another point, in the area of conservation, solar, and alcohol fuels, the projections for the revenues to be paid directly to industry through

the tax-credit process totals some $10.6 billion over the next 5 years. There is another $17 billion that is going to be available to the Synthetic Fuels Corporation to stimulate production.

So there really are, I believe, sir, a substantial number of initiatives which should assist to increase domestic energy production in the near term in this country.

Senator HUDDLESTON. Well, the additional production of oil is something which we have yet to see, and the question is whether or not it will keep up with depletion, even at an accelerated rate of exploration.

Second, of course, oil is a finite resource, and it is a matter of time until it runs out again. Are we going to put into place a synthetic fuels program or not is what I am concerned about.

I don't see private industry able to pick up the total slack. It is not just this administration. I was critical of the last administration. We are not moving ahead aggressively on alcohol fuels. There is a technology that's here. We could do that almost tomorrow. We know 10 percent alcohol in gasoline works. Twenty percent will work. We can increase those percentages with very minor adjustments.

We are not doing much about it. We are just lagging along and waiting for the oil companies. The oil companies are in the business of selling oil. They are not in the business of selling alcohol and they don't get into that business until you get some requirement that they get into it.

So, it seems to me we are just languishing along here, really not making much progress. You stepped into that situation and I am not critical of you for it not having happened because it should have happened a long time ago.

But I just wonder what is in store. What action are you going to take to encourage the use of alcohol fuels in Government-owned vehicles?

Mr. LEGASSIE. I am not personally knowledgeable, but we can, on that particular question, certainly provide some material for the record on it.

[The information follows:]

DOE'S EFFORTS TO ENCOURAGE THE USE OF GASOHOL IN FEDERAL VEHICLES

The lead agency in implementing the Executive order to use gasohol in Federal vehicles is the Department of Defense through the Defense Fuel Supply Center. The Department of Energy and its vehicles are under the jurisdiction of the DFSC.

The DFSC and the General Services Administration are currently drafting regulations and instructions that specify a product preference for gasohol when it can be obtained at a price equal to or less than unleaded gasoline. These regulations are expected to be completed by May 1981.

The procurement status as of February 27, 1981, covers the fuel needs of eight regions for all Government vehicles, six of which have been calculated. The procurement process has been conducted in the following manner:

(1) Identification of total gasohol requirements for the six regions—19.7 million gallons or 14 percent of unleaded gasoline needs.

(2) Contract solicitation to supply the gasohol. As of February 27, 1981, contractors had responded to 6.4 million gallons.

(3) Contracts awarded to date after bids and evaluations total 1.5 million gallons of gasohol for two of the six regions at an average price of $1.16 per gallon. As the bid solicitation periods come into effect and the remainder of the projected needs are reported the gasohol purchases will increase accordingly.

In addition to the total Government use of gasohol the DFSC is testing gasohol on military tactical vehicles such as trucks and jeeps along with standard automobiles. Methanol testing is also underway. The DFSC feels that the decontrol of crude oil is making gasohol increasingly competitive and the Government's use of alcohol fuels will increase as they become more available. They have established the following goals for Government-wide use of gasohol over the next two decades: 1981, 10 percent; 1985, 25 percent; 1990, 50 percent; 1995, 75 percent; and 2000, 100 percent.

PRIVATE SECTOR

Mr. LEGASSIE. It is the private sector that is actually going to provide that production. We do see as a result of rising energy prices that stem not from our actions but from OPEC actions that alcohol fuels are much more competitive in the marketplace today than they were 2 years ago.

We do see a lot of private-sector activity in terms of decisions to provide such production even without loan guarantees from the Government.

The fact that we plan to continue the 4-cent a gallon tax credit in the future is, in fact, keeping a very important Federal subsidy or support action in place which is the basis that allows alcohol fuels to be competitive in the marketplace. I think, again, perhaps I am just being more optimistic.

Senator HUDDLESTON. What bothers me about that is that if we depend entirely on the economics that exist from time to time in the marketplace in order to develop a synthetic fuels program, I am afraid it won't happen.

Right now, with the prices of oil and gas going up, it doesn't make buying a lot of things viable that economically were viable a short time ago. The people who have the absolute control over it almost are the OPEC countries.

If we go strictly on the basis of what the economic viability is at a particular time, all OPEC has to do to scuttle that program is to produce more oil and reduce the prices and we are out of business. And the synthetic fuels program is gone and we are back dependent entirely on them again.

It seems to me that is the reason we have to have some Government cooperation and participation in making sure that we have the capability of the synthetic fuels program at least. Then the marketplace can take over once we have developed the capability and infrastructure.

We don't have that now and we are not making much progress toward it as it seems to me. If we just dump it all back on the private sector, I don't see it coming about.

Mr. LEGASSIE. But that, in fact, is exactly the theory of the Synthetic Fuels Corporation, which recognizes the particular character of investments, for example, in oil shale and coal liquefaction, which do produce direct substitutes for oil and, therefore, are important contributors in dealing with the import problem.

OPEC prices could change. Therefore, to initiate such an industry you need to have a price support, a price guarantee or loan guarantee to give the basis that the private sector needs to initiate ventures that it doesn't have without that Government action.

So, there is, in fact, a mechanism of that character which the Congress has established which this administration has indicated it would leave in place and be supporting with some $17 billion.

Senator HUDDLESTON. I think it is certainly a major tool. It deals, of course, with commercial operations, commercialization. I am also concerned with the research and development today of some of these specific kinds of alternative fuels.

Do you have any figures on what levels of alcohol fuel production you are estimating for, say, the years 1982 through 1985 or even to 1990?

Mr. LEGASSIE. There are quantity projections which have been made and which underlie the tax cost estimates which the President has issued. I would like to provide that to you for the record.

[The information follows:]

ESTIMATED U.S. ETHANOL PRODUCTIVE CAPACITY AND GASOLINE DEMAND

	Alcohol (Million gallons per year)				
Year	NAFC estimated capacity	Planned but uncertain capacity	Total planned capacity	Gasoline (Billion gallons/year)	Alcohol gasoline (Percent)
1981	115		115	97	0.1
1982	400		400	97	0.4
1983	850		850	94	0.9
1984	1,288	480	1,768	90	2.0
1985	1,418	740	2,158	87	2.5
1990			[1]7,300	73	10.0

[1] Estimated alochol production necessary to meet the planning requirements of section 211 of the Energy Security Act, that is, to develop a plan by January 1, 1983, to achieve a level of alcohol produciton in the United States of at least 10 percent of U.S. gasoline consumption, as estimated by DOE for 1990.

GASOLINE CONSUMPTION

Senator HUDDLESTON. Do that and indicate what percentages of estimated annual gasoline use those figures might represent.

Mr. LEGASSIE. All right.

Senator HUDDLESTON. Indicate also how it will compare with the goals set forth by the Energy Security Act which set a goal for 1990, for instance, that alcohol fuel production would equal at least 10 percent of the domestic gasoline consumption of the country.

It seems to me that is not an unreachable goal and not an unreasonable goal. In fact, if there were some way to require it, if we could just require that all gasoline be 10 percent alcohol, you could forget about all your programs. Everything would take care of itself. There would be plenty of production. It would take a little while to do it. It could be done.

Senator MCCLURE. Thank you, Senator.

I am a little concerned as we look at the future of energy production that over the next decade of time there are very few alternatives we can pursue that have any impact upon, any very large impact upon energy production over that timeframe.

We can't develop a new off-shore oil leasing program and get production moving to refineries and into the markets in much less than 7

years. We can't open a new coal field under all the regulations and get coal moved in much less time than that.

Major plant constructions extend that time period. Certainly development of new technologies that are not known will not come on during the next 10 years. We have to develop the technology, go through all the R. & D., demonstrate that technology is feasible and learn what its economics are before you go into commercialization and that is sometime in the 1990's.

One of the few places where that would appear to be— that it would appear to be possible to do it more rapidly than that is in biomass. Alcohol production is one that could move much more rapidly than the mid-1990's. Yet, that is an area where if I read you correctly, the decision has been made, it can move without governmental assistance, is that correct?

GASOHOL MARKET

Mr. LEGASSIE. We believe the gasohol market is basically an economically competitive market with the continuance of the 4-cent a gallon Federal tax credit. As you know, some States give additional credit. We do see private-sector motion responding to the existence of that economic market.

There is, as you say, not a technology problem. The technology is there. Those plants can, in fact, be built relatively rapidly. We don't understand why the market would not respond to the economic signals that it has.

My understanding is that gasohol is competitive with unleaded gasoline at the pumps in some 30 States at the present time.

Senator MCCLURE. It is competitive, but at a higher cost.

Mr. LEGASSIE. I would like to get you some material for the record on that, sir, because from my understanding is that that situation has been, of course, changing pretty steadily with the increasing cost of regular gasoline.

[The information follows:]

PUMP PRICE OF GASOHOL

Spot checks in various States indicate that gasohol is selling at a pump price that is usually above the cost of leaded regular gasoline and below the cost of premium unleaded gasoline. There are, of course, variations in this pattern, but unfortunately there have been no State-by-State surveys on the price of gasohol at the pump done by EIA, the National Alcohol Fuels Commission, the National Gasohol Commission, or the Alcohol Fuels Office of DOE.

The price of gasohol at the pump is, however, a function of the pricing strategy adopted by the retailer. While the cost of producing alcohol for gasohol is higher per gallon than the cost of gasoline, the cost of production and transportation less the amount of Federal and State incentives is below the cost of regular gasoline in many States.

For example, the composite refiner acquisition cost of crude oil (December 1980) was $31.39/BBL. This cost would result in a gasoline price from the refinery of about $1.04 per gallon. Anhydrous ethanol was available during that time for about $1.80 per gallon from a number of manufacturers. Deducting 40 cents per gallon Federal excise tax exemption results in a net cost of $1.40 per gallon or about a 36 cent per gallon premium for the alcohol. In 29 States, additional State tax incentives amount to at least 36 cents per gallon for alcohol, thus allowing gasohol to be priced competitively with gasoline.

STATES WITH GASOHOL TAX INCENTIVES AT LEAST 36 CENTS PER GALLON

Arkansas, Arizona, Colorado, Florida, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, Wisconsin, and Wyoming.

PRICE OF GASOHOL

Senator MCCLURE. I am puzzled that it should be higher cost because the 4-cent a gallon subsidy, the 4-cent a gallon tax exemption is a massive incentive compared to the cost of oil.

Mr. LEGASSIE. Yes; and we are used to looking at data from 6 or 9 months ago when gasoline was selling for $1.10. Right now when I bought gasoline this morning, it cost me $1.50.

Senator MCCLURE. But you didn't buy gasohol.

Mr. LEGASSIE. It was not available at the pump where I stopped. But that is a question, sir, of market response. What I am trying to say is if there is something that is as cheap, if not cheaper, that can be brought into production and go into distribution, then why will the market not respond to that economic signal? I think you should expect that it will.

Senator MCCLURE. It hasn't yet. Yet, you indicate that with this subsidy you expect that it will. What has changed that is going to make the next few months different from the last few?

Mr. LEGASSIE. We have been seeing an increase in OPEC crude oil prices in the United States. They have gone up very substantially in the last year and a half.

Senator MCCLURE. You expect that that has now nudged alcohol over——

Mr. LEGASSIE. In my view, we should now see gasohol as being able to compete without additional Government subsidy. I would like to provide you the material we have on that question. It seems clear to me that the world is different than it was a year and a half ago.

Senator MCCLURE. How many major oil companies have embraced gasohol?

Mr. DEGEORGE. I don't know, we will have to provide it for the record.

Senator MCCLURE. I think several on a trial basis in small areas of the country.

Mr. LEGASSIE. I think it is widespread like that. It seemed to me Texaco, for one, was offering gasohol.

[The information follows:]

OIL COMPANIES INVOLVED WITH ALCOHOL FUELS

The following oil companies have previously been involved or announced plans to blend, market, test or produce alcohol fuels: Arco; Asamera; Ashland; Beacon Oil; Buckeye; Chevron U.S.A., Inc.; Cities Service Co.; Conoco; Derby Refining Co.; Diamond Shamrock Corp.; Farmland Industries; Getty Refining and Marketing Co.; Gulf Oil Corp.; Kerr-McGee Corp.; Koch Oil; Pacific Resources, Inc.; Pester Refining Co.; Phillips Petroleum Co.; Standard Oil Co. of Indiana (Amoco); Standard Oil Co. of Ohio; Sun Oil C. of Pennsylvania; Texaco, Inc.; Time Oil Co.; Total Petroleum Co.; United Refining Co.; and Vickers Petroleum Corp.

DEPENDENCY ON MAJOR OIL COMPANIES

Senator McCLURE. That is because you live in the one area where they have done it. They have done it here because it is most visible to Government policymakers and we will all be happy because we don't see anything that happens outside the Washington, D.C. area.

Mr. LEGASSIE. Of course, we are not also wanting to be solely dependent on the actions of the major oil companies because I know that there are gasohol programs throughout the country.

Senator McCLURE. Certainly. What percentage of gasohol sold at retail is sold by other than the majors.

Mr. LEGASSIE. I don't have those figures in my head.

Senator McCLURE. Is it a large or small percentage?

Mr. LEGASSIE. My impression is that in terms of sale, even major gasoline companies have something like 9 or 10 percent of the market. So that there is obviously a distribution curve.

Certainly some small fraction of the total number of companies would sell a large portion of the total sales. There would be a standard distribution curve.

Senator McCLURE. I think that's correct. Until they get into the distribution, there is not going to be widespread distribution, isn't that correct?

Mr. LEGASSIE. But if there is money to be made there, why would they not?

Senator McCLURE. That is a good question, but you are asking the question rather than answering it. You are saying we expect they will, but there is no evidence that they are.

Mr. LEGASSIE. Sir, in the present situation where we are dealing with large Federal deficits and concerned about priority places to put Federal money, including social services, if there is a reasonable basis for expecting the private sector to respond, would it not be better to proceed in that way rather than to continue to take from the smaller pot of available Federal funds, money that might better be utilized elsewhere?

Senator McCLURE. I happen to agree with that. I also am inclined to believe that the analysis is correct, that it is about ready to fly commercially. But I would have expected that you had some empirical data to indicate that other than just gut feeling.

From your testimony this morning, I gather it is an emotional commitment on your part rather than an intellectual analysis of the market.

Mr. LEGASSIE. Well, it is an intellectual analysis, but you are asking for documentation, if I could perhaps rephrase it in that way. And let us provide for you not what is in an individual's head, but——

Senator McCLURE. You see, I want to believe, but you are not helping me believe. You are coming up here with an article of faith somewhat as blindly as any other article of faith without any supporting data.

Mr. LEGASSIE. There is supporting data, sir, available in the system. Let us provide that to you for the record.

Senator McCLURE. If you would do that, I would appreciate it.

[The information follows:]

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THE ECONOMICS OF CORN DERIVED GASOHOL

The cost of producing alcohol from corn in commercial size facilities is primarily dependent upon the cost of the corn feedstock, and secondarily upon the by-product credits (distillers dried grains, corn oil, gluten, carbon dioxide, etc) which are derived from the by-products produced during the process. For a typical 50 million gallon per year (MGPY) ethanol facility, about two-thirds of the total alcohol production cost results from the cost of the corn input. With the cost of corn now around $3.50/bu, having risen from about $2.50 last season, a major inflation in the cost of alcohol production has occurred, resulting in detailed reappraisal of many of the recently proposed facilities. The rise in corn prices is somewhat offset by a corresponding rise in the value of the major by-product, distillers dried grains, from about $109 per ton a year ago to $134 per ton currently, or about 40% of the cost of the input corn. Other by-product sales can have significant effects on the net cost of producing alcohol and this is a major reason why it is difficult to develop a characteristic set of economic parameters for alcohol production. Other factors affecting alcohol production costs, in order of importance are; required return on investment (ROI), depreciation, energy, labor and miscellaneous costs (maintenance/repair, other raw materials, taxes, etc)

Table 1 contains a cost breakout for a typical 50 MGPY alcohol facility and shows the effect of varying major input costs over realistic ranges. The probable net cost of the alcohol at the plant gate would be $1.52 per gallon under the assumptions made. This base cost is subject to considerable modification as it is blended into gasohol as a result of federal and state tax exemptions. A potential 20 percent investment tax credit is available to some alcohol producers.

The gasohol 4¢/gallon federal excise tax exemption translates into a 40¢/gallon of alcohol subsidy, and additional state tax exemptions may be as high as another $1.25 per gallon subsidy. The investment tax credit may provide an additional subsidy of up to 8¢/gallon. Thus, in the probable scenario of Table 1, the cost of blended alcohol including federal subsidies would be around $1.08/gallon, with some state subsidies reducing it further -- in a few cases, close to zero. The current pricing of gasohol at the pump appears to be a function of many factors not all of which flow directly from the net economic costs associated with producing alcohol and blending it into gasohol. Some national gasohol brands are sold at a retail price slightly above premium non-leaded gasoline while other gasohol brands in some states are priced the same as or below the competing gasoline grade. Thus, the current economic competitiveness of gasohol at the pump appears to be more a function of corporate pricing policy than the economics of producing alcohol from domestic grain. Since the cost of gasoline from $30/BBL crude oil is about $.99/gal., alcohol/gasohol production coupled with the subsidies being offered by some states, can be very profitable without any of the above federal subsidies and certainly without federal loan guarantees.

TABLE I

COST VARIABLES

FOR A

50 MGPY ETHANOL FACILITY

Input Costs		$/ Gallon of Alcohol High	Probable	Low
A. Grain	4.00 $/BU (Corn)	1.60		
	3.50		1.40	
	3.00			1.20
B. Energy	35 $/ton (Coal)	.154		
	30		.132	
	25			.11
C. Labor	130 (Cost Index)	.072		
	115		.063	
	100			.055
D. Depreciation	125 $mil.(invest.)	.20		
	100		.16	
	75			.12
E. Other	130 (Cost Index)	.124		
	115		.109	
	100			.095
F. ROI (includes 10% bus. ITC)	125 $mil. (Invest.)	.45		
	100		.36	
	75			.27
	Subtotal	2.60	2.22	1.85
G. By-product Credit	4.00 $/BU	-.80		
	3.50		-.70	
	3.00			-.52
H. Net Production Cost		1.80	1.52	1.33
I. Value of Financial Incentives				
a. 4¢/Gal. Fed. Tax Exemp.		-.40	-.40	-.40
b. 10% Energy ITC		-.05	-.04	-.03
Net Cost after Fed. Incentives		1.35	1.08	.90
c. 0-12.5¢/Gal. State Tax Exemp.		←	0-1.25/Gal	→
J. Cost of Gasoline from refinery ($/gal)				
a. 30 $/BBL Crude			0.99	
b. 42 $/BBL			1.39	
c. 60 $/BBL			1.97	

ALTERNATIVE FUELS PROGRAMS SUPPORT

Senator McCLURE. At the present time, how many people throughout DOE are involved in supporting the various alternative fuels programs?

Mr. DEGEORGE. One must aggregate numbers from individual programs. Perhaps Roger knows the total. In the Office of Conservation and Renewable Energy, there are, approximately 30, 35.

Senator McCLURE. Thirty, 35 people total?

Mr. DEGEORGE. In our staff, yes, sir.

Senator McCLURE. How many in DOE?

Mr. LEGASSIE. I think for DOE total we would need to give you that for the record. There are quite a substantial number of people, for example, involved in the evaluation of the Nonnuclear Act proposals, in the negotiating teams on the DPA. This is not being operated with a small number of people. There is a large involvement with technical and other kinds of expertise.

Senator McCLURE. Assuming Congress approves the proposed rescission, approximately how many of these will continue in the same capacity during a close-out phase?

Mr. LEGASSIE. You are talking about the individuals now?

Senator McCLURE. Yes.

Mr. LEGASSIE. Perhaps I could speak to the resource applications area which includes this, because I don't have the numbers broken down.

In the area you are talking about, I believe only a few individuals would be retained in positions with the objective of monitoring the contracts that had been let for feasibility studies and cooperative agreements by the Department of Energy.

We would expect those projects under the DPA or NNA, if they close on this side of the line, to be picked up by the Synthetic Fuels Corporation. The Department would be following that, but with a very small number of people.

So, in fact, a substantial number of positions in the areas I am involved in would no longer be required in fiscal 1982.

Senator McCLURE. Can you give us, for the record, the number of people that are involved and the number of people——

Mr. LEGASSIE. Yes; we do have that data, and that can be provided to you.

[The information follows:]

PERSONNEL REQUIREMENTS FOR THE ALTERNATIVE FUELS PROGRAM

During the peak activity of the alternative fuels solicitations, which was managed by the former Office of Resource Applications, as many as 135 people were involved at any one time. As the committee recognizes, the Fossil Energy Office now has stewardship of the first round of feasibility studies and cooperative agreements in fiscal year 1982. We are in the process of decentralizing much of this function to the DOE Operations Offices. Requirements at headquarters within the umbrella of the new fossil energy organization is still uncertain, but a reasonable estimate is that there will be no more than 10–12 employees required to monitor these functions.

The portion of the alternative fuels program managed by the Assistant Secretary for Conservation and Renewble Energy includes municipal waste, biomass energy systems, and alochol fuels. Currently 32 employees are involved in this program. The projected fiscal year 1982 full-time ceiling is for 23 employees.

PROGRAM CLOSEOUTS

Senator McCLURE. How long does DOE anticipate that the closeout of these programs would take?

Mr. LEGASSIE. We are analyzing that right now, sir, in terms of the transition from a large number of people to a smaller number of people, and trying to make some decisions as to the timing. But there isn't a final answer on that question.

We do have available in the analysis we now have the retention of the major fraction of those people through fiscal 1981.

Senator McCLURE. Through fiscal year 1981.

Mr. LEGASSIE. Right. There is some reduction in fiscal year 1981, but it is not major.

Senator McCLURE. Then I would assume that you are anticipating most of the people that would be directly involved would be terminated by the end of fiscal year 1981, at least the positions?

Mr. LEGASSIE. Yes.

Senator McCLURE. Which they are now occupying would be?

Mr. DEGEORGE. Mr. Chairman, with respect to alcohol fuels and urban waste, we anticipate continuing our present staff into fiscal year 1982 since we do have the continuing R. & D. responsibility in those areas.

Senator McCLURE. Is the R. & D. responsibility as large as it has been in fiscal 1981?

Mr. DEGEORGE. Yes, sir.

Senator McCLURE. You are going to use the same number of people?

Mr. DEGEORGE. I think we are talking about the urban waste, an $8 or $10 million program. That is about the size it's been for the last couple of years. The big money, of course, was in the loan guarantees, feasibility studies, and cooperative agreements.

Senator McCLURE. You are expecting those will be moved out of the Department?

Mr. DEGEORGE. It's an individual case. In the urban waste program, we only have one or two agreements which we can continue to monitor as presently arranged.

In the alcohol fuels program, there is a relatively small number of grants and guarantees. Those programs have not really taken off. I do not see sizable changes in either responsibility or numbers of people in the support of those two programs, including the biomass portion.

Senator McCLURE. Again, assuming proposed rescissions are approved, does DOE also anticipate completely closing down the Office of Alcohol Fuels?

Mr. DEGEORGE. No, sir, it does not.

Senator McCLURE. Can you identify the services that will remain through the Office of Alcohol Fuels in a programmatic sense?

Are there some formal services such as those authorized in title II of the Energy Security Act or other ongoing R. & D. programs; will those be the nature of the jobs being performed?

Mr. DEGEORGE. Yes, sir, I believe so, but Mr. Pyatt might want to add a few comments.

Mr. PYATT. Yes, sir.

Senator McCLURE. Could you identify the services that will remain and those that will not under fiscal 1981 and 1982 spending proposals?

Mr. PYATT. In the 1981–82 proposals it would be the long-term R. & D. effort with total focus on the use of nongrain for alcohol production.

The things that would disappear from the earlier budget would be feasibility studies, studies of how to convert industries to production of alcohol.

Senator McCLURE. But you will use the same number of people, is that correct?

Mr. PYATT. We have in the office now approximately half in the financial incentives program. That function would not continue.

Senator McCLURE. That function would not continue?

Mr. PYATT. No, sir.

Senator McCLURE. Does that mean that half the positions would be abolished?

Mr. PYATT. Yes, roughly.

SYNTHETIC FUELS CORPORATION

Senator McCLURE. You have indicated several times you expect a number of these programs will be transferred to the Synthetic Fuels Corporation.

Who within the administration have you talked to about the role of the Synthetic Fuels Corporation?

Mr. LEGASSIE. I have spoken to people in the Office of Management and Budget and have had those kinds of conversations with individuals outside the Department of Energy.

Senator McCLURE. Is there a concrete plan with respect to the Synthetic Fuels Corporation or is just this kind of conceptual discussion of, "Well, we won't do it anymore. Maybe they will."

Mr. LEGASSIE. I certainly don't want to speak for the new chairman of the Synthetic Fuels Corporation, whom the President will appoint, or for his new board members.

I am really not the proper person to be answering this question. But my understanding is that the administration expects to make the Corporation operational by naming these individuals as promptly as that process can be completed.

I have no direct knowledge of this, but my understanding is it's being pursued vigorously. That those individuals——

Senator McCLURE. It's being pursued. I am not sure how vigorously.

Mr. LEGASSIE. Well, I read in the papers as you do, how difficult some of these selection processes are. At any rate, those individuals will be named.

The intention is to make the Corporation operational. With respect to the activities that the Department of Energy is conducting, we should be behaving on the assumption that we are trying to negotiate, for example, under the Defense Production Act, the best possible arrangements.

If that is not done prior to June 30 of course the money will then transfer to the SFC and they will close those arrangements. But hopefully we will be completed before that time.

I think more concretely, sir, that the central indication has been given by the amount of money remaining available to the Synthetic Fuels Corporation in the President's budget.

Clearly if the administration wished to take a significantly different view it could have proposed significant rescissions to the $17 billion that is available as opposed to leaving that number in place.

So I think a very clear signal was associated with the administration's posture on the total sum of money available to the Corporation.

Senator McCLURE. I recognize that I may be asking a question that you are not in a position to answer, but has a decision been made not to seek rescission of those funds?

Mr. LEGASSIE. Well, in the sense that the budget before you, sir, has identified——

Senator McCLURE. I know they haven't yet. That is obvious from the submission. But you say you have been talking to people.

Mr. LEGASSIE. I obviously cannot commit to future actions of the administration.

Senator McCLURE. To the best of your knowledge, there is no current thinking about or current decision made to seek a future rescission?

Mr. LEGASSIE. To the best of my knowledge that is so. I think we are all aware that consideration of that question took place during the budget formulation process. Some money had been identified for possible rescission. The decision was made not to do that.

Senator McCLURE. Mr. LeGassie, you indicated in your testimony that biomass, coal liquefaction, and coal derived synthetic gas projects dominated the first round feasibility and cooperative agreement awards.

If my calculations are correct, 72 percent of the feasibility funding went to these three areas while 77 percent of cooperative agreement funding went to the three areas.

How much of the total $200 million already obligated actually went for the feasibility studies and cooperative agreements in those three areas?

Mr. LEGASSIE. We will have to supply that for the record. The data is available. I think the point you are dealing with here is that there were some differences in the final negotiated agreements when we potentially closed with those selected as opposed to what they initially proposed. That is a specific tabulation of data I will furnish for you.

Senator McCLURE. Would you please? What percentage and what actual dollar amount went to the studies and agreements involving oil shale, tar sands, solid waste, unconventional gas, peat, and upgrading technologies?

If you can provide rough figures now, and complete figures for the record, I would appreciate it.

Mr. LEGASSIE. I don't have rough figures in my head, sir, but those specifics will appear in the tabulation we will provide you.

[The information follows:]

Actual Awards and Description of First Round Feasibility Studies/Cooperative Agreements

The information is included in the attached tables for both the feasibility study and cooperative agreement awards announced by the Department in July 1980, as well as additional feasibility study awards made under the first round and announced in November 1980.

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED FROM DOE	RECEIVED FROM DOE	DESCRIPTION/SITE	BOE/D
ALABAMA				
City of Huntsville Huntsville, Alabama 35804	$457,000	$452,830	An 8 month feasibility study of a RDF/Low Btu gas alternative fuel production facility using a mechanical thermal process. Site: Huntsville, Alabama	200
Cold Kist, Incorporated Decatur, Alabama 35601	$331,000	$330,982	Feasibility study of utilization of plant oils like soybeans as a substitute for diesel fuel. Site: Decatur, Alabama	2,400
Grasp, Inc. Birmingham, Alabama 35244	$1,200,000	$1,200,000	Feasibility study of a 40 million gallon/year ethanol from corn and milo plant. Site: Talladega County, Alabama	2,609
ALASKA				
Cook Inlet Region Anchorage, Alaska 99509	$3,900,000	$3,815,341	Feasibility study of producing 54,000 barrels per day of methanol from low sulfur coal using Winkler gasifier and ICI methanol synthesis. Site: West side of Cook Inlet, Alaska	22,900
ARIZONA				
Arizona Grain, Inc. Casa Grande, Arizona 85222	$188,300	$188,353	Feasibility study of a 12.5 million anhydrous ethanol from corn, grain and barley facility. Site: Casa Grande, Arizona	815

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED FROM DOE	RECEIVED FROM DOE	DESCRIPTION/SITE	BOE/D
ARKANSAS				
Arkansas Grain Fuels Inc. Blytheville, Arkansas 72315	$50,400	$50,900	Feasibility study of a 35 million gallon/year ethanol from milo facility. Site: Arkansas	815
City of Fort Smith Ft. Smith, Arkansas 72902	$82,900	$82,883	Feasibility study of a MSW facility producing low Btu Gas with a thermal process. Waste feedstock is committed by City & local communities. Site: Ft. Smith, Arkansas	500
Potlatch Corporation Warren, Arkansas 71611	$322,700	$290,467	Feasibility study to investigate production of low Btu gas and char from waste wood. State: Warren, Arkansas	800

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED FROM DOE	RECEIVED FROM DOE	DESCRIPTION/SITE	BOE/D
CALIFORNIA				
Acruex Corporation Mt. View, California 94042	$440,261	$432,103	Feasibility study of anaerobic digestion of sewer water to obtain methane. Site: Possibly Oakland, California	74
Ed Koppleman Encino, California 91316	$732,400	$727,882	Feasibility study of converting wood waste and peat to produce wood and peat pellets Site: Maine	732
Pacific Gas & Electric Co.	$328,900	$326,720	Feasibility study of the production of low Btu gas from manure through anaerobic digestion. Site: Imperial, California	360
San Bernadino County San Bernadino, CA. 92418	$687,800	$633,201	Feasibility study of a 2500 ton/day MSW to produce an RDF. Site: San Bernadino, CA.	5,500
Ultrasystems, Inc. Irvine, CA. 92715	$223,200	$223,218	Feasibility study of 20 million gallon/year anhydrous ethanol from sugar beets, potatoes, wheat, grain using geothermal process fuel. Site: Madera, CA.	1,304
Western Concentrates, Inc. Woodland, CA 95695	$860,000	$853,675	Feasibility study of 132 million gallons/year of ethanol from corn plant. Site: Benicia, CA.	8,610

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED FROM DOE	RECEIVED FROM DOE	DESCRIPTION/SITE	BOE/D
COLORODO				
Cary Energy Corp. Fruita, Colorado 81521	$3,009,399	$2,461,328	Feasibility study for upgrading crude oil shale to gasoline jet fuels, DFO and residual using UOP hydro-processing & hydro-cracking. Site: Fruita, Colorado	10,000
Grand American Inc. Yuma, Colorado 80759	$179,700	$178,995	Feasibility study of 10 million gallons/year anhydrous ethanol from grains plant. Site: Yuma, Colorado	652
Union Oil Energy Mining Los Angeles, CA 90017	$4,000,000	Proposal Withdrawn	Feasibility study for operation of a 10,000 BPD upgrading plant producing premium quality syncrude. Site: Grand Valley, Colorado	10,000
W.R. Grace Denver, Colorado 80223	$786,477	$769,714	Stage III of a feasibility study of a coal sourced methanol plant using a Koppers/Totzek Gasifier. Site: Moffat County, NW Colorado	14,000

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
WASHINGTON, D.C.				
Dept. of Env. Services Washington, D.C. 20004	$151,500	$148,571	Feasibility study of recovery of pipeline quality gas from municipal solid waste using an uncontrolled biological process. Site: I-95 landfill	5,769
FLORIDA				
Florida Power St. Petersburg, Florida 33733	$1,380,796	$1,375,413	Twelve month feasibility study of Medium Btu Gas Combined Cycle Site: Pinellas County, Florida	7,458
Methanol Research Biomark Energy Lakeland, Florida 33801	$520,500	$388,409	Feasibility study of a 100 million gallon/year methanol from cellulose and wood chips Site: Lakeland, Florida	6,523
Synergy Systems Management Corp.	$264,000	$252,262	Feasibility study of gasifying wood waste to produce low Btu gas. Site: Youngstown, Ohio	600
City of Tallahassee Tallahassee, Florida	$75,000	$46,426	Feasibility study for a municipal solid waste facility utilizing a mechanical process to produce a refuse derived fuel. Site: Tallahassee, Florida	710

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
GEORGIA				
City of Dalton Dalton, Georgia 30720	$154,700	$154,665	Feasibility study of fluidized bed gasification of 150 tons of municipal and industrial wastes producing low Btu gas. Site: Dalton, Georgia	250
American Cyanamid Savannah, Georgia 31402	$150,300	$150,341	Feasibility study of wood gasification pyrolosis to produce low Btu gas with unmarketable wood. Site: Chatam. Georgia	1,200
Cafpro Inc. Athens, Georgia 30603	$40,100	$40,050	Feasibility study of a 2 million gallon/year anhydrous ethanol from corn plant. Site: Clark & Madison Counties	130
Nuclear Assurance Corp. Atlanta, Georgia 30329	$430,500	$426,060	Feasibility study of a 25 million gallon/year ethanol from wood facility. Site: Dekalb, Georgia	1,630

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
HAWAII				
Hilo Coast Processing Pepeekeo, Hawaii	$900,000	$887,350	Feasibility study of producing 23-½ million gallons/year of ethanol from molasses. Site: Pepeekeo, Hawaii	1,532
Pacific Resources Inc. Honolulu, Hawaii 96816	$331,400	$329,311	Feasibility study of producing liquid or gaseous fuels from cellulosic biomass. Site: TBD	48
IDAHO				
Clearwater Palouse Energy Co-op Moscow, Idaho	$102,000	$101,514	Feasibility study of a 20 million gallon/year ethanol from wheat and barley facility. Site: TBD	130
ILLINOIS				
Clark Oil & Refining Milwaukee, Wisconsin 53227	$4,000,000	$3,879,164	Feasibility study of producing synthesis gas from coal, steam, oxygen & methanol from synthesis gas using a KT Gasifier, ICI & the Mobil M Process. Site: S. Illinois	11,600

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
ILLINOIS				
BCO Corporation Washington, Illinois 61571	$477,220	$442,563	Feasibility study of 375,000 ton/day RDF facility using a mechanical process. Site: Peoria, Tazewell & Woodford Counties	1,730
Rochelle Energy Development Rochelle, Illinois 61068	$ 25,000	$25,000	Feasibility study of a 1.5 million gallon/year anhydrous ethanol from corn facility. Site: Rochelle, Ill.	98
INDIANA				
Agri Answer Inc. Lynn, Indiana 47355	$653,900	$628,702	Feasibility study of an ethanol plant using corn as feedstock and coal for process heat. Site: Randolph County, Indiana	1,369
New Energy Corp. of Indiana South Bend, Indiana 56601	$1,952,000	$1,769,057	Feasibility study for a 50 million gallon/year anhydrous ethanol from corn plant. Site: St. Joseph, Indiana	3,261
IOWA				
Agri Grain Power Inc. Des Moines, Iowa 50306	$99,700	$90,163	Feasibility study of producing 50 million gallon/year anhydrous ethanol from corn. Site: Des Moines, Iowa	3,261

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
KANSAS				
Planning Design & Development, Inc. Overland Park, Kansas 66202	$335,800	$300,825	Feasibility study of a 10 million gallon/year ethanol plant from local grain crops. Site: Kansas City, Kansas	652
KENTUCKY				
American Farmers Marketing Co-op Clarksville, Tenn. 37040	$486,000	$466,901	Feasibility study of a 10 million gallons/year ethanol from corn plant. Site: Mayfield, Kentucky	6,523
General Refractories Bala Cynwyd, PA. 19004	$922,555	$882,415	Nine month feasibility study of Low Btu Industrial Fuel Gas. Site: Florence, Kentucky	1,034
Transco Energy Co. Houston, Texas	$3,778,267	Offeror declined grant	Eighteen month feasibility of 2000 BPD (or larger) module of a 50,000 BPD plant. Site: Lewis County, Kentucky	50,000

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
LOUISIANA				
Apex Oil Company St. Louis, MO 63105	$318,300	$318,256	Feasibility study of using waste heat to produce 33 million gallons/year of anhydrous ethanol from several feedstocks. Site: Caravelle, LA.	2,152
Houston Natural Gas/Texaco Houston, Texas 77001	$3,260,000	$3,264,500	Fourteen month feasibility study of producing fuel grade methanol from coal using Ziegler coal deposits. Site: Covent, Louisiana	11,400
Independence Energy Co. New York, NY 10020	$2,060,400	$1,895,901	Feasibility study of 20 million gallons/year of anhydrous ethanol from sugar cane sorghum, molasses and corn. Site: Thibodaux, LA	1,304
MAINE				
Central Maine Power Augusta, Maine 04336	$3,624,558	$3,560,773	Fifteen month fesibility study of combined cycle, medium Btu gas at Searsport Island, ME. (Process: Texaco Gasifier) Site: Waldo County, Maine	14,138
JW Small & Sons, Inc. Ellsworth, Maine 04605	$156,400	$156,388	Feasibility study of a 25 million gallon/year ethanol plant using corn or cull potatoes. Site: Waldo County, Maine	1,630

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
MARYLAND				
Americol LTD Baltimore, Maryland 21234	$570,000	$528,475	Feasibility study of producing 10 million gallon/year of anhydrous ethanol from local feedstocks. Site: Delmarva Penninsula, Maryland	978
MASSACHUSETTS				
Balcher New England, Inc. Revere, Massachusetts 02151	$893,900	$851,911	Feasibility study of a 25 million gallon/year of ethanol from corn, grain, potato culls, cellulos. Site: Suffolk County, Massachusetts	1,630
BC&G Wesley, Massachusetts 02181	$4,000,000	$3,987,561	Feasibility study for a medium Btu gasification facility producing combined cycle power and methanol. Choice or process technologies between Koppers-Totzek or Slagging Lurgi. Site: Fall River, Massachusetts	28,500
MICHIGAN				
The Regents of the University of Michigan Ann Arbor, Michigan 48109	$195,000	$195,037	Feasibility study of an RDF for energy consumption at the University of Michigan from waste of the city of Ann Arbor. Site: Ann Arbor, Michigan	3,000
U.S. Ethanol Industries Southfield, Michigan 48075	$597,100	$551,516	Feasibility study of 40 million gallons/year of anhydrous ethanol using corn as feedstock. Site: Wixon City, Michigan	2,609

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
MINNESOTA				
AMAX, Inc. **Greenwich, Connecticut**	**$2,190,000**	Proposal Withdrawn	**Feasibility study of a coal to methanol plant producing 14,910 barrels per day using Koppers or Lurgi Gasifiers.** **Site: Diluth, Minnesota**	**6,800**
CBA, Inc. **C/O Leland S. Watson** **Minneapolis, Minnesota 55402**	**$436,300**	$436,480	**Feasibility study of a 24.5 millon gallon/year anhydrous ethanol from corn plant and 105 million KWH/year of electricity.** **Site: Rice County, Minnesota**	**9,508**
Minnesota Gas Co. **Minneapolis, Minnesota 55402**	**$3,996,554**	$3,662,448	**Nineteen month feasibility study for the production of high Btu substitute natural gas from peat.** **Site: Minnesota**	**13,000**
MISSISSIPPI				
Alcohol Fuels of Mississippi **Vicksburg, Mississippi 39180**	**$150,000**	$147,500	**Feasibility study of 41 million gallons/year of ethanol from wood chips and dust.** **Site: Warren, Mississippi**	**65**

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
MISSOURI				
Missouri Farmers Association Columbia, Missouri 65201	$100,000	$100,000	Feasibility study of a 5 million gallon/year anhydrous ethanol from corn facility using waste wood and cogeneration and waste wood as feedstock. Site: TBD	326
MONTANA				
Crow Tribe of Indians Washington, D.C. 20036	$2,729,393	$2,718,600	Nine month feasibility study, High Btu Gas (Lurgi Process - SNG) at Crow Reservation, MT. Site: East of Billings, MT.	22,000
Infinity Oil Co., Inc. Billings, MT. 59101	$115,600	$155,600	Feasibility study for a 5 million gallon year anhydrous ethanol from wheat and barley facility (retrofit of oil refinery) Site: Garfield, MT.	326
NEBRASKA				
Nebraska Alcohol Fuels Conversion Lincoln, Nebraska 68506	$1,180,000	$1,130,416	Feasibility study of a 50 million gallon/year ethanol from corn plant. Site: Lancaster, NE	3,261
NEVADA				
Geothermal Food Processors, Inc. Fernley, Nevada 89409	$68,600	$68,561	Feasibility study of a 5 million gallon/year anhydrous ethanol plant from corn using geothermal as process energy. Site: Brady Hot Springs, Nevada	326

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
NEW JERSEY				
Bergen County Utilities Authority Little Ferry, NJ 07643	$78,500	$72,945	Feasibility study of upgrading raw digester gas produced from sewage to yield low Btu gas. Site: Bergen County, NJ	82
NEW MEXICO				
Texas Eastern Synfuels, Inc. Houston, Texas 77001	$3,018,000	In negotiation	Nine month feasibility study, High Btu Gas (Lurgi Process - SNG, Methanol) at San Juan County, New Mexico Site: East of Navajo Indian Reservation	43,000
NEW YORK				
Amico Environmental Processes Buffalo, New York 14240	$246,900	$246,920	Feasibility study of a 15 million gallon/year anhydrous ethanol plant using locally available corn and coal as process fuel. Site: Kenmore, New York	978
City of New York New York, New York 10007	$380,000	$380,263	Feasibility study of multiple effect evaporation of centrifuged sludge to produce pelletized fuel. Site: Manhattan	388
Seneca Indian Nation Salamanca, New York 14779	$896,638	$864,001	Feasibility study of the recovery of natural gas from Devonian Shales - vertical wells. Methane from Devonian Shale. Site: Salamanca, New York	34

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
NORTH CAROLINA				
Diversified Fuels, Inc. Wilson, North Carolina 27893	$183,200	$173,810	Feasibility study of 30-50 million gallon/year anhydrous ethanol from corn plant. Site: Eastern North Carolina	2,609
NORTH DAKOTA				
Down Enterprises, Inc. Walhalla, North Dakota 58282	$225,200	$220,167	Feasibility study of a 50 million gallon/year anhydrous ethanol from wheat and potatoes facility using lignite as process fuel. Site: North Dakota	3,261
Dakota Company Bismark, North Dakota 58501	$4,000,000	$3,998,153	Feasibility study for constructing an 85,000 barrel/day coal to methanol plant using Lurgi gasifier and Lurgi methanol synthesis. Site: Dunn, North Dakota	40,000
OHIO				
Morton Construction Company Cleveland, Ohio 44125	$85,796	$85,796	Feasibility study for 13 months of a landfill gas utilization facility producing pipeline gas with uncontrolled biological process. Site: Cleveland, Ohio	230
Youngstown Thermal Corp. Youngstown, Ohio 44501	$194,000	$180,327	Feasibility study to retrofit existing MSW facility to cofire municipal solid waste with high sulfur Ohio coal to produce an RDF mechanically.	500

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
OKLAHOMA				
Fulton Energy Corp. Tulsa, OK 74112	$622,800	$602,110	Feasibility study of a 25 million gallon/year ethanol facility using milo and corn as feedstock with coal as process fuel. Site: Catoosa, Oklahoma	1,630
OREGON				
EMCON Associates San Jose, CA 95112	$ 69,294	$67,129	A municipal solid waste 9 month feasibility study which will study use of landfill gas by using an uncontrolled biological process to produce methane gas. Site: Clackamas County, Oregon	1,800
Metropolitan Service District Portland, Oregon 97201	$ 95,000	$94,302	Feasibility study of a municipal solid waste facility producing pipeline gas through an uncontrolled biological process. Site: Portland, Oregon	400

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
OREGON				
Modoc Lumber Company Klamath Falls, Oregon 97601	$406,900	$398,860	Feasibility study of densification of wood biomass residue to produce a solid fuel - DBF while utilizing geothermal for process heat. Site: Kalamoth, Oregon	188
Morrow Ag Energy Corp. Boardman, Oregon 97818	$240,000	$234,864	Feasibility study of a 20 million gallons/year anhydrous ethanol from corn, whet, sugar beets, and potatoes facilities Site: Boardman, Oregon	1,304
PENNSYLVANIA				
Lavco, Inc. Scranton, PA 18508	$799,200	$796,327	Feasibility study of a 20 million gallon/year ethanol from corn plant. Site: Luzerne Pennsylvania	1,304
Philadelphia Gas Works Philadelphia, PA 19102	$1,168,108	$1,168,108	Twelve month feasibility study of medium Btu gas (Process: TRW) Site: Philadelphia, Pennsylvania	3,448
Pullman Swindell Pittsburgh, PA 15222	$1,782,800	$1,603,480	Feasibility study of K-fuel technology to yield a highly volatile chardoal charcoal from wood. Site: Allegheny, Pennsylvania	186

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
SOUTH CAROLINA				
Dayco Corporation Dayton, OH 45401	$ 55,000	$ 55,000	A feasibility study for a commercial/ industrial waste facility that produce low Btu gas through a thermal process. Site: Waterboro, South Carolina	150
Energy Conversion Corp. Anderson, SC 29623	$185,900	$162,181	Feasibility study of 20 million gallons/ year anhydrous ethanol from corn. Site: Anderson, South Carolina	1,304
Raytheon Service Co. Burlington, MA 08103	$338,100	$338,111	A feasibility study of an RDF facility using shredded and magnetically separated municipal refuse to supplement high sulfur coal. Site: Charleston, South Carolina	600
SOUTH DAKOTA				
Sodak Resources, Ltd. Plankington, SC 57368	$118,400	$118,392	Facility study of a 20 million gallon/ year ethanol from corn facility Site: Mitchell, South Dakota	1,304

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
TENNESSEE				
Nashvile Electric Service	$1,500,000	$1,500,000	Facility study of a municipal solid waste facility with an inout of 1500 tons per day using a mechanical/thermal process. Site: Nashville, Tennessee	2,500
TEXAS				
American Rice, Inc. Houston, Texas 77001	$213,300	$ 208,354	Feasibility study of the variability of using a fluidized bed system to gasify rice hulls to produce low BTU gas. Site: Harris, Texas	516
Celanese Corp Dallas, Texas 75247	No cost	No cost	Feasibility study to determine the technical and economic viability of developing a carbon monixide and hydrogen syngas from either a high Btu coal or a Texas lignite. Site: Near Bishop, Texas	10,000

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
TEXAS				
Republic of Texas Coal Co. and Mitchell Energy Corp. Houston, Texas 77002	$808,781	$803,752	Feasibility study of gasification, in-situ deep Texas lignite and conversion of remaining medium BTU synthesis gas to methanol and high octane gasoline. Site: Somewhere in Texas Gulf Coast.	1,440
Transco Energy Houston, Texas 77001	$1,874,005	In negotiation	Eight-month feasibility study of medium BTU gas. Site: Calvert, Robertson County, Texas	21,350
Union Carbide/Linde Division Tonawanda, New York 14150	$3,945,676	$3,885,713	Eighteen-month feasibility study of Low/Medium BTU Gas. Site: Texas City, Houston, Texas	21,350

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
UTAH				
Geokinetics Vernal, Utah	$1,904,339	$1,885,746	Eighteen-month feasibility study of a 2000 to 7800 BPD facility utilizing a surface retort process. Site: Uintah County, Utah	2,000-7,800
Natomas Energy Co. San Francisco, California 94108	$357,511	$363,594	Eight-month feasibility study of extracting 20,000 barrels/day of oil from domestic tar sands - Bitumen. Site: Site may be in Utah or California.	20,000
Paraho Development Corp. Grand Junction, Colorado 81501	$3,151,064	$3,111,809	Twelve-month feasibility study of a 30,000 BPD surface retort. Site: Uintah County, Utah	30,000
Standard Oil of Indiana Chicago, Illinois 60601	$0	No cost	Feasibility study of a 50,000 barrel/day Tar Sand Bitumen facility. Site: Sunnyside, Utah	2,000
VERMONT				
Alternative Concepts of Energy Danvers, Massachusetts 01923	$95,700	$86,255	Feasibility study of a 1.4 million gallon/year anhydrous ethanol plant using cheese whey as a feedstock. Site: Vermont	92

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
VIRGINIA				
A. Smith Bowman Distillery Reston, Virginia 22090	$466,000	$459,200	Feasibility study of a 20-40 million anhydrous ethanol from corn plant. Site: Fairfax County, Virginia	1,956
WASHINGTON				
Omega Fuels Pasco, Washington 99301	$1,517,900	$1,458,459	Feasibility study of producing 50 million gallons/year ethanol from corn plant. Site: Three possible sites.	3,261
WEST VIRGINIA				
EER Corporation Morgantown, West Virginia	$1,320,600	$1,289,759	Feasibility study of modular fluidized bed terrestrial biomass system to produce low BTU gas. Site: TBD	1,280
WISCONSIN				
Dvorak Farms Whitelaw, Wisconsin 54247	$19,800	$29,750	Feasibility study of 2 million gallons/year of anhydrous alcohol from corn and livestock entrails Site: Brown and Manitowoc Counties	130

PROPOSED FEASIBILITY STUDY AWARDS

STATE	REQUESTED	RECEIVED	DESCRIPTION/SITE	BOE/D
WISCONSIN				
Wisconsin Agri Energy Corp Manitowoc, Wisconsin 54220	$76,600	$ 73,720	Feasibility study of a 20 million gallon/year anhydrous ethanol from corn facility using coal as process fuel. Site: TBD	1,304
WYOMING				
Rampshire Energy Milwaukee, Wisconsin 53211	$4,000,000	$3,992,140	Ten-month feasibility study of converting 15,000 tons of coal/day to 20,000 barrels/day of gasoline. Site: Gillette, Wyoming	18,000
Mountain Fuel Supply Co. Salt Lake City, Utah 84139	$1,810,762	$1,810,762	Two-year feasibility study of unconventional natural gas in the Pinedale field. Product is natural gas and condensate. Site: Sublette County, Wyoming	2,120

ADDITIONAL FEASIBILITY STUDIES

On November 17, 1980, the Department of Energy selected four additional proposals for negotiations. Funding for these awards came from money freed up following negotiations of the original proposals selected in July. The following is information regarding these additional proposals:

Proposer	Project Location	Requested	Received	Type of Facility
Martin Energy Corporation, Washington, D.C.	Greensboro, N.C.	$108,000	$108,577	Alcohol fuels
Ranchester Packing, Inc., Jackson, WY	Same	$404,800	$377,367	Alcohol fuels
Arkansas Power & Light, Little Rock, Arkansas	Redfield, Ark.	$3,386,600	$3,386,600	Coal gasification
Celanese Corp., Dallas, Texas	southwest of Houston	no cost	no cost	Coal liquids

PROPOSED COOPERATIVE AGREEMENTS

STATE/TECHNOLOGY	DESCRIPTION/SITE
Alabama/Unconventional Natural Gas Requested from DOE* $600,000 Received from DOE Withdrew	**U.S. Steel Corporation** U.S. Steel Corporation proposes to build a collection and compression system to capture methane from a mine pre-drainage program. The gas, currently being vented, will be injected into an interstate pipeline system for sale. The project will produce the equivalent of 200 barrels of oil per day. Site is Oak Grove, Alabama.
California/Solid Waste Requested from DOE* $1,869,000 Received from DOE: $1,869,000	**Southwest Portland Cement Company** Southwest Portland Cement Company intends to use medium Btu gas from a sanitary landfill as a fuel for use in powering internal combustion engines to drive generators for electricity production. Technology has already been proven at site, where currently 500,000 cubic feet of gas is collected and sold to a chemical company for use as a boiler fuel. A reciprocating engine is currently used on site to drive a compressor. Project will result in a four-fold increase in fuel production and use from the land fill. Sites are Azuza, California and Los Angeles, California.
Florida/Solid-Liquid Mixtures Requested from DOE* $989,500 Received from DOE: $975,500	**Banklick Corporation** Banklick Corporation proposes to design and construct a Coal Mining Mixture (COM) preparation plant on a site on Blount Island, Florida owned by the Jacksonville Port Authority and to market the products. In this proposal, the approach is to first grind the coal, then mix it with oil and pulverize the result, and, finally, to mix the product more thoroughly using ultrasonic agitators. A COM prep plant is relatively simple and, in addition to the above equipment, consists of coal storage and handling equipment (including a coal pile), oil and COM piping and storage hardware, and associated hardware. Coal would be delivered by rail. The project will produce 6,000 barrels per day.

*to be negotiated

STATE/TECHNOLOGY	DESCRIPTION/SITE
Kentucky/Coal Liquids **Requested from DOE*** **$24.3 million** Received from DOE: $22.43 million	Texas Eastern Synfuels Texas Eastern Synfuels proposes to construct a coal liquefaction facility which will produce the equivalent of 56,000 barrels of oil per day. Texas Eastern Synfuels is a joint venture of Texas Eastern Corporation, and Texas Gas Transmission Corporation. Proposed Project is a Fischer Tropsch plant--like the SASOL facility in South Africa--that would convert approximately 28,000 tons per day of coal into a mixture of transportation fuels, Synthetic Natural Gas (SNG), and chemicals. Approximately 44 percent of the output is SNG (145 mmSCF/D); about 30 percent transportation fuel, and the rest chemicals. Site is near Henderson, Kentucky.
Kentucky/Biomass **Requested from DOE*** **$9.8 million** Received from DOE: $9.8 million	James R. Wade A newly formed Kentucky firm proposes a cooperative agreement to advance commercialization of a 21 million gallon/year plant to be located in Franklin, Kentucky. The corn feedstock is to be purchased locally and the process energy source is locally available coal. An excellent site has been optioned adjacent to a railroad and the necessary permits have been identified. The cooperative agreement includes final design, engineering and construction costs sufficient to complete approximately 25 percent of the project. DOE participation will advance commercialization by 6-12 months.
Michigan/Solid Waste **Requested from DOE*** **$4 million** Received from DOE: $3.967 million	Levy Reclaform Company Coke is the primary fuel for blast furnaces. In the production of coke, certain finer sizes are generated which are screened out of the coke used in the blast furnace. The screened fines are called coke breeze and cannot be used as blast furnace fuel unless they can be agglomerated into a larger size. This project intends to use the Reclaform process to agglomerate coke breeze, an industrial solid waste, into briquet form which can be used as an alternative blast furnace fuel. Site is River Rouge, Michigan.

*to be negotiated

STATE/TECHNOLOGY	DESCRIPTION/SITE
North Carolina/Biomass Requested from DOE* $950,000 Received from DOE: $960,000	**Collins and Aikman Corporation** This project will install a wood pellet/chip gasifier in the Collins and Aikman plant at Roxboro, North Carolina. The low-Btu gas produced will be burned in the plant's existing natural gas fired boilers. If successful, the company will replicate the system at two other plants. The project will result in the production of 500 barrels of oil equivalent per day.
North Dakota/High Btu Coal Gasification Requested from DOE* $22 million Received from DOE: $22 million	**Great Plains Gasification Associates** The project will employ a Lurgi pressurized, fixed bed gasification process with Lurgi methanization requiring 14,000 tons/day of lignite coal to produce 137.5 mmCF/day of synthetic gas, 93 tons of ammonia/day and 85 tons/day of sulfur. The facility will be sited in the Beulah Hazen area of Mercer County, North Dakota and has a total capital requirement of $1.5 billion. A cooperative agreement was executed with Great Plains Gasification Associates as a "set aside" pursuant to Public Law 96-126.
Ohio/Biomass Requested from DOE* $25 million Received from: $24.5 million	**Publicker Industries, Inc.** A joint venture between Ashland Oil Company and Publicker Industries in Ohio proposes a cooperative agreement to advance commercialization of a 60 million gallon/year plant to be located in South Point, Ohio. The corn feedstock, although produced locally, will have to be imported and the coal energy source will be imported from Ohio, Kentucky, and Virginia. An excellent site with some existing facilities, including six boilers, has been purchased. The cooperative agreement includes final design, construction and start-up.
Puerto Rico/Solid Waste Requested from DOE* $545,800 Received from DOE: $537,800	**Caguas, Puerto Rico** This is a proposal for DOE support to bring a Municipal Solid Waste (MSW) project to the point where the municipality can finance construction costs. The project consists of a low-Btu MSW gasifier which in turn will produce energy for electricity production.

*to be negotiated

STATE/TECHNOLOGY	DESCRIPTION/SITE
Wyoming/High Btu Coal Gasification Requested from DOE* $13,155,000 Received from DOE: $12,960,000	HIGH BTU COAL GASIFICATION Wycoal Gas, Inc. Wycoal Gas, Inc., plans to construct a facility using Lurgi and Texaco gasification units to process 16,000 tons of sub-bituminous coal daily to produce 150 mmSCF of High Btu gas. All liquid by-products will also be gasified. The facility is to be located in Douglas, Wyoming. The Statement of work proposed will involve developing a definitive basis for plant design estimating costs, securing permits and approvals, obtaining financing and identifying long-lead delivery items. There is a market for the SNG via a pipeline system to the Midwest owned by the participants. The full-size plant will be designed to produce 300 mSCF/day of SNG. The project would produce the equivalent of 51,000 barrels of oil per day.

*to be negotiated

Senator McCLURE. Regardless of what the exact figures may be, I think it is obvious the first three categories absorb nearly all of the money. Is that not correct?

Mr. LEGASSIE. Yes.

Senator McCLURE. Or assign the majority of the money?

Mr. LEGASSIE. I do have some of the data you are asking for available here. I will read it briefly. In terms of the feasibility studies, coal liquids took $22 million out of $100 million.

This is prior to the final negotiations, so these are rough in the sense that they are modified slightly by the final version.

For high-Btu gas $5.6 million. $16.7 million for low and medium Btu gas; $12.8 million for oil shale, $0.4 million for tar sands, $4 million for unconventional gas, $4.6 million for solid waste, $4 million for peat, $20.3 million for biomass alcohol, $6.5 million for biomass, other than alcohol, and $3 million for upgrading.

Comparable numbers for cooperative agreements are $23.5 million for coal liquid, $34.1 million for high-Btu, $0.6 million for unconventional gas, $6.1 million for solid waste, $33.7 million for biomass alcohol, $1 million for biomass and other, and $1 million for solid-liquid mixtures.

So the distribution you have indicated is correct in terms of where the predominant amounts of money went by technology category. This also of course reflects something about the nature and number of the proposals actually received and quality of those proposals, because nobody started that process with a prior view as to some distribution of the funds with technologies that ought to be the outcome.

Senator McCLURE. The new administration has directed a review of some of the grants made last fall with respect to alcohol projects.

Has that review been completed?

Mr. DEGEORGE. I think they have at the Department of Agriculture, sir, but I do not know of any review of our programs.

Senator McCLURE. No review of yours?

Mr. DEGEORGE. Not to my knowledge.

Senator McCLURE. In December 1980, 53 feasibility studies and 26 cooperative agreements were selected for further negotiations toward eventual second-round funding.

Now these funds, some $300 million, are proposed for rescission. In what stage were those negotiations when the decision was made to rescind the funds?

Mr. LEGASSIE. Those negotiations are obviously in various stages. They are decentralized to the DOE operations offices from which they are being conducted. There are a large number of proposals; so I don't have a ready way of answering you from memory as to the status of these negotiations.

If you want more specific information of that character we will get the information from the operations offices that are in the process of conducting them.

Senator McCLURE. If you would do that and provide it for the record, please.

Mr. LEGASSIE. Yes, we will do that.
[The information follows:]

STATUS OF NEGOTIATIONS FOR SECOND ROUND FEASIBILITY STUDIES/COOPERATIVE AGREEMENTS

Out of 56 feasibility studies selected for negotiations, cost audits have been completed for 22, and negotiations have been completed on 6. Out of the 23 proposed cooperative agreements, 2 had completed negotiations and commitments had been made. The others had not competed negotiations.

With the proposed rescission, negotiations for the second round of the alternative fuels feasibility study/cooperative agreement program has been suspended. In some cases, only preparations for negotiations had begun; some negotiations had not been initiated.

DOE COMMITMENTS

Senator MCCLURE. Did the DOE negotiation team make any commitments orally or otherwise to any of the 79 candidates?

Mr. LEGASSIE. I am not aware that they did. They certainly should not have made commitments that they are not empowered to make.

If any such events occurred in what is a rather large and decentralized system it would have been an individual matter rather than by direction.

Senator MCCLURE. To the best of your knowledge, no commitments have been made?

Mr. LEGASSIE. You may be referring to the fact as I understand it that for two of the proposals that came in in the second round, negotiations were completed and commitments were made.

I believe these are in the alcohol area. They are in the alcohol fuels area. So those commitments have been made.

Senator MCCLURE. How many commitments were made?

Mr. LEGASSIE. Two, I believe is the number.

Senator MCCLURE. Is that correct?

Mr. PYATT. There were two letter agreements for limitation of $500,000 apiece. Those will be carried through to the limit of the letter agreement.

Senator MCCLURE. Those are the only agreements made, to the best of your knowledge?

Mr. PYATT. Yes.

Mr. LEGASSIE. Those negotiations apparently went rapidly, and came to a conclusion and were signed. As signed commitments they will be honored.

Senator MCCLURE. Did any of the 79 candidates commit themselves to funding from other sources?

Mr. LEGASSIE. My memory of proposals were that there were quite a number of proposals which indicate cofunding. That is that they seek a certain amount of money from the Government, but also presume or promise funding from the private sector.

Senator MCCLURE. Could you provide for the record that detail?

Mr. LEGASSIE. Yes.

[The information follows:]

COFUNDING OF SECOND ROUND FEASIBILITY STUDIES/COOPERATIVE AGREEMENTS

The attached tables provide details of the 79 proposals selected under the second round of the alternative fuels program feasibility studies and cooperative agreements. Included in this information is the total cost of the proposed study and the portion which is being requested from the Department of Energy. The difference represents funding which would either be provided by the proposer or obtained from other private sources.

The administration is requesting a rescission of the $300 million appropriated in fiscal year 1980 for this second round.

PROPOSED COOPERATIVE AGREEMENTS

ALABAMA

BELCHER OIL CO.
MIAMI FL 33152

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$6,384,998	$3,192,499	5,000

THE PLANT IS DESIGNED TO HAVE A CAPACITY OF 5,000 BARRELS PER DAY OF A COAL OIL MIXTURE.
SITE-MOBILE AL

CALIFORNIA

CITY OF GARDENA
GARDENA CA 90247

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$4,000,000	$2,000,000	1,445

THIS PROJECT WILL COMBUST 1,445 TONS PER DAY OF MUNICIPAL SOLID WASTE TO GENERATE ELECTRICITY.
SITE- GARDENA, CA

COOL WATER COAL GASIFICATION PROGRAM
WHITE PLAINS NY 10605

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$213,000,000	$25,000,000	4,300

CONSTRUCTION AND OPERATION OF A 1,000 TON PER DAY COAL GASIFICATION PLANT USING THE TEXACO GASIFIER TO PRODUCE MEDIUM BTU GAS AS A PROCESS FUEL FOR COMBINED CYCLE GENERATION OF ELECTRICITY IN AN ADJACENT UTILITY POWER PLANT. SITE - DAGGETT, CA

COUNTY OF SAN DIEGO (SANDER)
SAN DIEGO CA 9210[illegible]

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$4,500,000	$1,980,000	1,560

THE PLANT WILL COGENERATE STEAM AND ELECTRICITY FROM THE COMBUSTION OF 1,200 TONS PER DAY OF MUNICIPAL SOLID WASTE. THE ENERGY PRODUCED IS EQUIVALENT TO 1,560 BARRELS OF OIL PER DAY
SITE- SAN DIEGO, CA

LOS ANGELES BY-PRODUCTS COMPANY
LOS ANGELES CA 90058

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$3,472,155	$1,736,077	658

THE PROJECT WILL RECOVER THE EQUIVALENT OF 658 BARRELS OF OIL PER DAY OF LANDFILL GAS FROM AN EXISTING LANDFILL.
SITE-SAN FERNANDO, CA

COLORADO

SUPERIOR OIL COMPANY
ENGLEWOOD CO 80110

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$14,672,000	$7,336,000	15,000

A SURFACE RETORTING PLANT WITH A CAPACITY TO CONVERT 20,000 TONS PER DAY OF OIL SHALE INTO 15,000 BARRELS PER DAY OF SHALE OIL.
SITE - WEST OF RIFLE, CO

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED COOPERATIVE AGREEMENTS

CONNECTICUT

WYATT, INCORPORATED
NEW HAVEN CT 06510

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,956,993	$821,937	2,500

3,000 BARRELS PER DAY OF A COAL OIL MIXTURE WILL BE PRODUCED IN THE PLANNED PLANT.
SITE - NEW HAVEN, CT

GEORGIA

SYNCORP INC
ATLANTA GA 30329

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,017,787	$498,715	165

THIS PROJECT INVOLVES THE RETROFITTING OF AN EXISTING DISTILLERY WITH A WOOD FIRED BOILER TO PRODUCE APPROXIMATELY 7,000 GALLONS PER DAY OF ETHANOL FROM CORN.
SITE - ROBERTA, GA

LOUISIANA

COLUMBIAN CHEMICALS COMPANY
TULSA OK 74102

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$94,462,000	$24,560,120	2,884

THE PROJECT WILL CONVERT CORN AND MOLASSES INTO ETHANOL WITH A DAILY OUTPUT OF 121,200 GALLONS OF 200 PROOF ETHANOL.
SITE - NORTH BEND, LA

MAINE

PENCO, INC.
BELMONT MA 02178

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,900,000	$950,000	2,469

THE PROJECT CONSISTS OF THE EXPANSION OF AN EXISTING PEAT BOG TO A CAPACITY OF 14.3 BILLION BTU PER DAY.
SITE- JONESPORT BOG, ME

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED COOPERATIVE AGREEMENTS

MARYLAND

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$11,700,000	$5,265,000	1,044

CEPO PARTNERSHIP, C/O AMERICAN SOLARNOL
BALTIMORE MD 21224

THE PROPOSED PROJECT WILL USE A BIOMASS PROCESS FUEL TO CONVERT CORN AND OTHER CELLULOSE MATERIAL TO 43,836 GALLONS PER DAY OF ETHANOL AT AN EXISTING BREWERY.
SITE - BALTIMORE, MD

MICHIGAN

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$70,000,000	$7,000,000	1,429

AGRI POWER ALCOHOL, INC.
ADDISON MI 49220

THIS IS A 60,000 GALLON PER DAY ETHANOL PLANT USING CORN AS A FEEDSTOCK AND COAL AND METHANE AS PROCESS FUELS.
SITE - ADDISON, MI

MISSOURI

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,341,903	$670,951	2,900

BI-STATE DEVELOPMENT AGENCY
ST. LOUIS MO 63101

THE PLANT WILL COGENERATE STEAM AND ELECTRICITY FROM 2,250 TONS PER DAY OF MUNIC*(1 SOLID WASTE. DISPLACING ON EQUIVALENT AMOUNT OF OIL AND GAS. A SECOND FACILITY WILL PRODUCE 750 TPD OF SOLID FUEL.
SITE- ST. LOUIS, MO AND ARNOLD, MO

MONTANA

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$39,947,900	$19,973,950	48,400

TENNECO COAL GASIFICATION CO.
HOUSTON TX 77001

SELECTED FOR FUNDING IN SUPPORT OF ENGINEERING EFFORT FOR A 280 MILLION CUBIC FEET PER DAY HIGH BTU GAS FROM COAL (LIGNITE) PLANT USING LURGI GASIFICATION TECHNOLOGY.
SITE - WIBAUX, MT AND GLENDIVE, MT (ALTERNATE SITE)

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED COOPERATIVE AGREEMENTS

PENNSYLVANIA

ANCON, INC.
VILLANOVA PA 19085

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$2,739,400	$1,369,700	2,760

UP TO 3,000 BARRELS PER DAY OF A COAL OIL MIXTURE WILL BE PRODUCED AT THE PROPOSED PLANT.
SITE- CHESTER, PA

MT. AIRY REFINING COMPANY
CINCINNATI OH 45202

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$2,000,000	$1,000,000	1,481

THE PROPOSED PLANT WILL PRODUCE 1,500 BARRELS PER DAY OF A COAL OIL MIXTURE.
SITE- DRAVOSBURG, PA

PUBLICKER INDUSTRIES
GREENWICH CT 06830

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$55,637,567	$25,036,905	4,329

AN EXISTING FACILITY WILL BE UTILIZED TO CONVERT 24 MILLION BUSHELS PER YEAR OF CORN TO 63 MILLION GALLONS PER YEAR OF 200 PROOF ETHANOL. COAL IS PLANNED AS THE PRIMARY PROCESS FUEL.
SITE - PHILADELPHIA, PA

TEXAS

HYDRACHEM CORP.
DALLAS TX 75234

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,000,000	$420,000	200

THE PROPOSED PLANT WILL RECOVER USABLE LIQUID FUELS FROM WASTE SOLVENTS. THE PLANT CAPACITY IS PLANNED TO BE APPROXIMATELY 8,000 GALLONS PER DAY.
SITE- DALLAS, TX

UTAH

PARAHO DEVELOPMENT CORP.
GRAND JUNCTION CO 81501

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$35,208,102	$17,604,051	30,000

CONSTRUCTION AND OPERATION OF A PLANT TO CONVERT 45,000 TONS PER DAY OF OIL SHALE INTO 30,000 BARRELS PER DAY OF SHALE OIL USING A SURFACE RETORTING PROCESS.
SITE - BONANZA, UT

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED COOPERATIVE AGREEMENTS

WASHINGTON

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
COLUMBIA ENERGY RESOURCES TACOMA WA 98402	$5,584,000	$2,792,000	721

THE PROJECT ENTAILS A RETROFIT TO AN EXISTING BREWERY TO PRODUCE 10 MILLION GALLONS PER YEAR OF 200 PROOF ETHANOL. CORN WILL BE USED AS THE FEEDSTOCK.
SITE - TACOMA, WA

WEYERHAEUSER CO. TACOMA WA 98477	$7,969,272	$3,984,636	190

THE PROJECT ENVISIONS THE GASIFICATION OF WOOD RESIDUES FROM LOGGING OPERATIONS TO PRODUCE A LOW BTU FUEL GAS FOR RETROFIT APPLICATION IN A LIMEKILN AND A BOILER WHICH ARE CURRENTLY FIRED WITH NATURAL GAS AND OIL. SITE- EVERETT, WA

WISCONSIN

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
WISCONSIN SOLID WASTE RECYCLING AUTHRY. MADISON WI 53713	$70,120,000	$4,207,200	1,500

THE PLANT WILL UTILIZE MUNICIPLE SOLID WASTE TO PRODUCE UP TO 815 TONS PER DAY OF REFUSE DERIVED FUEL (RDF). THE RDF WILL BE USED IN A DEDICATED BOILER AS A SUBSTITUTE FOR OIL IN AN INDUSTRIAL PLANT DIRECT COMBUSTION APPLICATIONS. SITE - APPLETON, WI

WYOMING

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
MOBIL RESEARCH & DEVELOPMENT CORP. NEW YORK NY 10017	$73,300,000	$25,000,000	38,785

THE PROPOSED PROJECT INCLUDES THE ENGINEERING DEVELOPMENT OF THE MINE, COAL GASIFICATION, METHANOL SYNTHESIS, MTG, LIGHT HYDROCARBON PROCESSING AND PRODUCT DISTRIBUTION FACILITIES, AND THE ESSENTIAL SUPPORTING FACILITIES OF A 40,000 BPSD COAL TO GASOLINE FACILITY. SITE-BUFFALO, WY

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

ALASKA

SEALASKA CORPORATION
JUNEAU AK 99801

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$848,000	$848,000	3,333

A FEASIBILITY STUDY FOR A 50 MILLION GALLONS PER YEAR PLANT TO PRODUCE 200 PROOF ETHANOL FROM WOOD WASTE.
SITE- KLAWOCK, AK

ARIZONA

CITY OF PHOENIX, PUBLIC WKS. DEPT.
PHOENIX AZ 85004

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$86,474	$86,474	100

A FEASIBILITY STUDY TO INVESTIGATE THE USE OF LANDFILL GAS TO POWER MUNICIPAL VEHICLES.
SITE - PHOENIX, AZ.

CITY OF TUCSON, DEPT. OF OPERATIONS
TUCSON AZ 85714

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$223,414	$196,604	607

A FEASIBILITY STUDY FOR A CONTEMPLATED COMMERCIAL PLANT PRODUCING FUEL FROM SOLID WASTE.
SITE - TUCSON, AZ.

CALIFORNIA

BKK CORP.
TORRANCE CA 90505

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$299,042	$299,042	800

A FEASIBILITY STUDY TO DETERMINE THE VIABILITY OF EXTRACTING LANDFILL GAS FROM AN OPERATIONAL SANITARY LANDFILL.
SITE - WEST COVINA, CA.

PACIFIC GAS AND ELECTRIC CO.
SAN FRANCISCO CA 94106

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$5,696,674	$4,296,674	12,414

A 15 MONTH FEASIBILITY STUDY FOR A LOW/MEDIUM BTU GASIFICATION PLANT PRODUCING FUEL GAS AND ELECTRICAL POWER.
SITE- SAN ARDO, CA

POWER /SO CAL GAS
SAN FRANCISCO CA 94106

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$341,820	$256,368	775

A FEASIBILITY STUDY TO EVALUATE THE PRODUCTION AND UTILIZATION OF SANITARY LANDFILL GAS PRODUCED BY ANAEROBIC BIODIGESTION.
SITE - SANTA CLARA COUNTY, CA. AND LOS ANGELES COUNTY, CA.

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

CALIFORNIA

WICKLAND OIL COMPANY
WEST SACRAMENTO CA 95691

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$262,456	$262,456	16,000

A FEASIBILITY STUDY TO INVESTIGATE THE INCLUSION OF A COAL-OIL MIXTURE PLANT IN A FUELS PROCESSING FACILITY PRESENTLY UNDER CONSTRUCTION.
SITE - SELBY, CA.

COLORADO

SUGAR MILL LTD
ENGLEWOOD CO 80111

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$654,762	$654,762	1,442

A FEASIBILITY STUDY FOR A PLANT PRODUCING 20 MILLION GALLONS PER YEAR OF 200 PROOF ETHANOL FROM CORN.
SITE- LOGMONT, CO.

FLORIDA

CITY OF MIAMI, FLORIDA
MIAMI FL 33133

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$976,087	$585,652	326

A FEASIBILITY STUDY FOR THE UTILIZATION OF CELLULOSIC TRASH TO PRODUCE ETHANOL.
SITE - MIAMI, FL

IDAHO

ROCKET RESEARCH COMPANY
REDMOND WA 98052

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$439,048	$368,800	721

A FEASIBILITY STUDY FOR A PLANT PRODUCING 10 MILLION GALLONS PER YEAR OF 200 PROOF ETHANOL USING POTATO WASTE, POTATO CULLS, AND BARLEY.
SITE - FORT HALL, ID

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

ILLINOIS

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
ROCHELLE CORN PRODUCTS, INC. ROCHELLE IL 61068	$181,000	$181,000	342

A FEASIBILITY STUDY FOR A 5 MILLION GALLON PER YEAR ANHYDROUS ETHANOL FACILITY USING A CORN AS A FEEDSTOCK
SITE- ROCHELLE, IL

INDIANA

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
SOUTHERN INDIANA SHALE OIL CO., INC. SHELBYVILLE IN 46176	$6,967,404	$6,479,686	10,000

AN 18 MONTH FEASIBILITY STUDY FOR THE CONSTRUCTION OF A PLANT TO PRODUCED SUBSTITUTE CRUDE OIL FROM EASTERN SHALE OIL.
SITE- CLARK COUNTY, INDIANA

KENTUCKY

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
PYRAMID MINERALS, INC. GRAYSON KY 41143	$4,535,516	$4,535,516	30,000

A FEASIBILITY STUDY FOR CRUDE SHALE OIL PRODUCTION AND OTHER ENERGY RELATED BY-PRODUCTS USING EASTERN SHALE.
SITE(S) - LEWIS COUNTY, AND ADAMS COUNTY, OH

LOUISIANA

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
LA. BIO FUEL INC. METAIRE LA 70001	$700,745	$539,573	2,381

A FEASIBILITY STUDY FOR A PLANT PRODUCING 35 MILLION GALLONS PER YEAR OF 200 PROOF ETHANOL USING CORN.
SITE- NEW ORLEANS, LA.

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
LOUISIANA ALCOHOL FUEL CORP. NEW ORLEANS LA 70115	$1,468,524	$969,225	7,238

A FEASIBILITY STUDY FOR A 100 MILLION GALLONS PER YEAR PLANT PRODUCING 200 PROOF ETHANOL FROM CORN.
SITE(S) - ROMEVILLE, LA AND PLAQUEMINE, LA (ALTERNATE SITE)

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

LOUISIANA

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$3,757,147	$3,419,004	25,000

OCCIDENTAL PETROLEUM CORP.
LOS ANGELES CA 90024

A FEASIBILITY STUDY FOR A SYNFUELS/ENERGY COMPLEX UTILIZING 15,500 TPD OF W. KENTUCKY COAL AND 2,400 TPD OF MUNICIPAL SOLID WASTE TO PRODUCE GASOLINE, MEDIUM BTU GAS, ELECTRICITY, AND STEAM.
SITE - TAFT, LA

MAINE

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$109,000	$87,200	100

ACTON FOODSERVICES CORPORATION
ACTION MA 01720

A FEASIBILITY STUDY TO INVESTIGATE THE TECHNICAL AND FINANCIAL ASPECTS OF A 350 TPD ANAEROBIC DIGESTION SYSTEM TO PRODUCE METHANE FROM POULTRY MANURE.
SITE- TURNER, ME.

$335,262	$284,973	453

J.M. HUBER CORP., TIMBER & MINERALS DIV.
PORTLAND ME 04112

A FEASIBILITY STUDY TO INVESTIGATE THE FLUID BED GASIFICATION OF WOOD WASTES.
SITE- PENOBSCOT COUNTY, ME.

$3,505,401	$3,505,401	18,894

WHEELABRATOR CLEANFUEL CORPORATION
HAMPTON NH 03842

A FEASIBILITY STUDY TO DETERMINE THE COMMERCIAL VIABILITY OF AN EXTRACTION AND DEWATERING SYSTEM TO PRODUCE A PEAT DERIVED FUEL.
SITE(S) - PENOBSCOT COUNTY, ME., AROOSTOOK COUNTY, ME., AND WASHINGTON COUNTY, ME.

MASSACHUSETTS

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$3,163,354	$2,688,853	17,000

MASS. MUNICIPAL WHOLESALE ELECTRIC CO.
LUDLOW MA 01056

A 12 MONTH FEASIBILITY STUDY TO EVALUATE THE USE OF MEDIUM-BTU SYNTHESIS GAS, PRODUCED FROM COAL, AS THE PRIMARY FUEL FOR ELECTRICAL GENERATING UNITS.
SITE- LUDLOW, MA

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

MASSACHUSETTS

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
WHEELABRATOR CLEANFUEL CORPORATION HAMPTON NH 03842	$982,030	$982,030	2,475

A FEASIBILITY STUDY TO INVESTIGATE THE POSSIBILITY OF USING MUNICIPAL SOLID WASTE IN A REFUSE-TO-ENERGY SYSTEM.
SITE - BOSTON, MA.

MICHIGAN

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
SASECOL CORPORATION SOUTHFIELD MI 48075	$967,000	$967,000	1,443

A FEASIBILITY STUDY FOR A PLANT PRODUCING 20 MILLION GALLONS PER YEAR OF 200 PROOF ETHANOL FROM CORN CULLS.
SITE- DETROIT MI.

MINNESOTA

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
NORTHWOOD COMPANY BRAINERD MN 56401	$282,962	$251,836	435

A FEASIBILITY STUDY TO ESTABLISH THE VIABILITY OF USING BIOMASS PELLETS TO REPLACE PETROLEUM FUELS IN THE SMALL INDUSTRIAL AND RESIDENTIAL SECTORS.
SITE- CROSBY, MN.

RED RIVER AG-ENERGY COMPANY FERGUS FALLS MN 56537	$260,000	$223,600	1,167

A FEASIBILITY STUDY FOR A 15 MILLION GALLONS PER YEAR PLANT PRODUCING 200 PROOF ETHANOL USING CORN OR BARLEY.
SITE- FERGUS FALLS, MN

MISSISSIPPI

	TOTAL COST	REQUESTED FROM DOE*	BOE/D**
SUN BELT ENERGY CORPORATION SARDIS MS 38666	$340,144	$289,122	350

A FEASIBILITY STUDY FOR A PLANT PRODUCING 4.4 MILLION GALLONS PER YEAR OF 200 PROOF ETHANOL FROM CORN.
SITE- SARDIS, MS.

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

MONTANA

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,000,000	$1,000,000	*6,000

PACIFIC HYDROCARBON ENERGY CO.
SEATTLE WA 98121

A 12 MONTH FEASIBILITY STUDY TO PRODUCE A BOILER FUEL MIXTURE OF LOW SULFUR SUBBITUMINOUS COAL WITH DOMESTIC CALIFORNIA HEAVY AND ALASKA NORTH SLOPE CRUDES.
SITE - MILES CITY, MT

NEW JERSEY

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$550,000	$550,000	5,700

REDMAR INVESTORS, INC.
SPRING LAKE NJ 07762

A 12 MONTH FEASIBILITY STUDY TO INVESTIGATE THE UTILIZATION OF WASTE LEAVES AND THERMOPLASTIC WASTE (CHLORIDE-FREE) TO PRODUCE A LOW-SULFUR, LOW-ASH SOLID FUEL.
SITE(S)- MIDDLESEX COUNTY, NJ, AND HUDSON COUNTY, NJ.

NEW MEXICO

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$2,728,657	$2,728,657	3,500

PUBLIC SERVICE COMPANY OF NEW MEXICO
ALBUQUERQUE NM 87103

A 15 MONTH FEASIBILITY STUDY FOR THE COMMERCIAL PRODUCTION OF AN ELECTRIC POWER GENERATION FUEL UTILIZING UNDERGROUND COAL GASIFICATION.
SITE - SAN JUAN COUNTY, NM

NEW YORK

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,828,231	$1,828,231	5,950

BROOKLYN UNION GAS CO.
BROOKLYN NY 11201

A 20 MONTH FEASIBILITY STUDY TO INVESTIGATE THE DESIGN AND CONSTRUCTION OF A LANDFILL GAS RECOVERY PLANT.
SITE - STATEN ISLAND, NY.

$142,272	$120,931	170

POLLIO DAIRY PRODUCTS CORPORATION
PORT WASHINGTON NY 11100

A FEASIBILITY STUDY TO PROVE THE COMMERCIAL VIABILITY OF THE PRODUCTION OF METHANE FROM CHEESE WHEY.
SITE- STEUBEN COUNTY, NY.

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

NORTH CAROLINA

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$161,742	$161,742	30

DUKE UNIV.
DURHAM NC 27706

A FEASIBILITY STUDY TO INVESTIGATE THE POSSIBILITY OF COLLECTING, PROCESSING AND BURNING HIGH-QUALITY ORGANIC REFUSE IN AN EXISTING STOKER-FED FURNACE.
SITE - DURHAM, NC.

NORTH DAKOTA

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,869,922	$1,869,922	20,000

AMERICAN NATURAL SERVICE CO.
DETROIT MI 48226

A FEASIBILITY STUDY FOR A PLANT TO PROCESS NORTH DAKOTA LIGNITE TO PRODUCE GASOLINE AND SNG.
SITE- MERCER COUNTY, ND

$4,047,538	$3,062,406	43,100

NORTHERN NATURAL GAS CO.
OMAHA NE 68102

A 12 MONTH FEASIBILITY STUDY OF A PLANT TO PROCESS NORTH DAKOTA LIGNITE TO PRODUCE METHANOL AND SNG. SITE- OLIVER COUNTY, ND

PENNSYLVANIA

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$855,840	$855,840	400

GREENE COUNTY COAL OWNERS' ASSOCIATION
WAYNESBURG PA 15370

A 12 MONTH FEASIBILITY STUDY TO ADDRESS THE TECHNICAL AND ECONOMIC VIABILITY OF RECOVERING METHANE FROM COAL SEAMS.
SITE- GREENE COUNTY, PA

$3,432,735	$3,295,425	6,120

PHILADELPHIA GAS WORKS
PHILDELPHIA PA 19102

A 14 MONTH FEASIBILITY STUDY FOR A COAL GASIFICATION PLANT TO SUPPLY CHEMICAL FEEDSTOCK SYNTHESIS GAS.
SITE- PHILADELPHIA, PA

$4,813,443	$4,813,443	50,000

WESTINGHOUSE ELECTRIC CORPORATION
MADISON PA 15663

A FEASIBILITY STUDY FOR THE DESIGN, CONSTRUCTION, AND OPERATION OF A COMMERCIAL PLANT TO PRODUCE METHANOL FROM PENNSYLVANIA BITUMINOUS COAL.
SITE - BEAVERDALE, PA.

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

PUERTO RICO

CEA COMBUSTION, INC.
STAMFORD CT 06906

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$731,235	$636,174	1,950

A FEASIBILITY STUDY TO INVESTIGATE THE UTILIZATION OF BIOMASS (AGRICULTURAL WASTES) TO PRODUCE A DRY POWDERED FUEL.
SITE - MAYAGUEZ, PR.

SOUTH CAROLINA

MIDREX CORP.
CHARLOTTE NC 28280

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,731,709	$865,893	4,310

A NINE MONTH FEASIBILITY STUDY FOR A COAL GASIFICATION PLANT TO PRODUCE MEDIUM BTU GAS TO REPLACE NATURAL GAS AS A FEEDSTOCK FOR THE DIRECT REDUCTION OF IRON ORE.
SITE - GEORGETOWN, SC.

TENNESSEE

AMERHOL CORPORATION
HUNTSVILLE AL 35803

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$414,540	$414,540	3,310

A FEASIBILITY STUDY FOR A FACILITY PRODUCING 50 MILLION GALLONS PER YEAR OF 200 PROOF ETHANOL USING CORN, MILO, AND WHEAT.
SITE- SPRING CITY, TN

CITY OF BROWNSVILLE
BROWNSVILLE TN 03012

$288,436	$288,436	73

A 12 MONTH FEASIBILITY STUDY TO INVESTIGATE THE FLUIDIZED-BED GASIFICATION OF MUNICIPAL AND INDUETRIAL WASTES.
SITE - BROWNSVILLE, TN.

KOPPERS CO., INC.
PITTSBURGH . PA 15219

$11,501,549	$5,750,775	48,750

A STUDY TO DETERMINE THE FEASIBILITY OF CONSTRUCTING AND OPERATING A COAL LIQUIDS PLANT. SITE- OAK RIDGE, TN

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

TEXAS

HEREFORD ENERGY, INC.
WASHINGTON DC 20005

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$835,000	$835,000	1,809

A FEASIBILITY STUDY FOR A PLANT PRODUCING 25 MILLION GALLONS PER YEAR OF 199.2 PROOF ETHANOL UTILIZING GRAIN SORGHUM.
SITE- HEREFORD, TX

TEMPLE-EASTEX, INC.
DIBOLL TX 75941

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$627,089	$627,089	6,747

A FEASIBILITY STUDY TO INVESTIGATE THE PRODUCTION OF LOW BTU GAS AND CHAR FROM WOOD WASTE.
SITE- DIBOLL, TX.

THE ENPEX CORPORATION
LA JOLLA CA 92038

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$12,700,000	$2,307,951	15,000

A FEASIBILITY STUDY FOR THE CONSTRUCTION AND OPERATION OF A FULLY INTEGRATED TAR SANDS PLANT.
SITE- MAVERICK COUNTY, TX

UTAH

GREAT NATIONAL CORPORATION
DALLAS TX 75201

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$3,420,879	$3,420,879	25,000

AN 18 MONTH FEASIBILITY STUDY FOR A COMMERCIAL SITED TAR SANDS PLANT.
SITE- SUNNYSIDE, UT

MTN FUEL RESOUR., CONOCO, MOND, PG&E
SALT LAKE CITY UT 84111

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$7,110,879	$3,555,440	22,000

A FEASIBILITY STUDY (FS) FOR CONSTRUCTING A LARGE-SCALE COAL CONVERSION PLANT TO PRODUCE SNG AND METHANOL.
SITE- EMERY COUNTY, UTAH

PLATEAU, INC.
ALBUQUERQUE NM 87110

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$5,016,100	$4,056,295	10,000

A FEASIBILITY STUDY TO DETERMINE THE COMMERCIAL VIABILITY OF MODIFYING AN EXISTING REFINERY TO PROCESS RAW SHALE OIL.
SITE - ROOSEVELT, UT.

SYNTANA-UTAH
CUPERTINO CA 95014

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$4,683,000	$3,960,550	30,000

A FEASIBILITY STUDY FOR A SHALE OIL PRODUCTION FACILITY UTILITING WESTERN SHALE.
SITE- BONANZA, UT

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

VIRGINIA

JAMES CITY COUNTY
WILLIAMSBURG VA 23185

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$249,432	$249,432	264

A FEASIBILITY STUDY TO DETERMINE THE ECONOMIC VIABILITY OF STEAM GENERATION USING COMMERCIALLY AVAILABLE MASS BURN WASTE-TO-ENERGY TECHNOLOGY.
SITE - YORK COUNTY, VA.

WASHINGTON

WALLA WALLA FARMERS CO-OP, INC.
WALLA WALLA WA 99362

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$204,224	$187,886	2,012

A FEASIBILITY STUDY FOR A PLANT PRODUCING 10-30 MILLION GALLONS PER YEAR(MMGPY) OF ANHYDROUS ETHANOL USING WHEAT, BARLEY, AND CORN.
SITE- WALLA WALLA, WA.

WEST VIRGINIA

INTERNATIONAL TELEPHONE & TELEGRAPH CORP
NEW YORK NY 10022

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$4,146,497	$3,747,703	9,700

A 12 MONTH FEASIBILITY STUDY FOR A COAL LIQUIDS (GASOLINE AND LPG) PLANT. SITE- NITRO, W.VA

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,063,172	$1,063,172	3,700

A FEASIBILITY STUDY FOR A LOW/MEDIUM BTU GASIFICATION PLANT TO PRODUCE INDUSTRIAL FUEL AND CHEMICAL FEEDSTOCKS.
SITE- NEW MARTINSVILLE, W.VA

MOBAY CHEMICAL CORP.
PITTSBURGH PA 15205

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$5,033,368	$3,875,693	86,200

A 12 MONTH FEASIBILITY STUDY FOR A HIGH-BTU COAL GASIFICATION FACILITY TO PRODUCE SNG AND METHANOL.
SITE- MASON COUNTY, W.VA

OHIO VALLEY SYNFUELS
PITTSBURGH PA 15222

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$1,933,779	$1,933,779	2,560

A FEASIBILITY STUDY FOR A LOW/MEDIUM BTU COAL GASIFICATION FACILITY TO PRODUCE FUEL GAS AND POWER.
SITE- MARION COUNTY, W.VA

WESTINGHOUSE ELECTRIC CORPORATION
MADISON PA 15663

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

PROPOSED FEASIBILITY STUDY AWARDS

WISCONSIN

TOTAL COST	REQUESTED FROM DOE*	BOE/D**
$40,000	$40,000	200

BUROWIN, PASLEY & ASSOCIATES, INC.
TOPEKA KS 66614

A FEASIBILITY STUDY TO DETERMINE THE COMMERCIAL VIABILITY OF USING FOREST WASTE AND RESIDUE TO MAKE WOOD PELLETS FOR HOME AND SMALL INDUSTRIAL HEATING.
SITE- CRAWFORD COUNTY, WI.

$473,869	$473,869	280

WISCONSIN DAIRIES
BARABOO WI 53913

A FEASIBILITY STUDY FOR THE ANAEROBIC DIGESTION OF CHEESE WHEY AND CATTLE MANURE TO PRODUCE FUEL GAS.
SITE- BUFFALO COUNTY, WI.

* TO BE NEGOTIATED
** BARRELS OF OIL EQUIVALENT PER DAY

Senator McCLURE. Although title II of the Energy Security Act provides for the price guarantees to promote production and use of biomass energy, both DOE and USDA acted to limit these available financial incentives to just the loan guarantee.

Can you provide some detailed insight or some reason as to why that decision was made?

Mr. DEGEORGE. Mr. Chairman, it is to extend the amount of money.

Senator McCLURE. It doesn't extend it any further than the price guarantee would, does it?

Mr. DEGEORGE. No, sir, you are correct. There is no essential difference. I don't know of any particular reason why it was limited.

Perhaps someone on the staff does.

Senator McCLURE. It's a little curious to me that of all the alternatives that were available only one was used. Certainly Mr. LeGassie, you mentioned earlier that one of the uncertainties involved in new technologies was the market uncertainty.

What will OPEC be selling for? What will be the price?

Would OPEC in order to maintain or enlarge market share lower the price below what was anticipated or will they continue to raise prices on schedule or would that future price increase by the OPEC cartel be less than anticipated by some in the marketplace?

One of the ways to remove that uncertainty and therefore stimulate private investment would be by a purchase agreement or price guarantee, would it not?

Mr. LEGASSIE. Yes; I don't know what the situation in alcohol fuels is obviously, or I would have spoken. But in the Defense Production Act, another example, we are negotiating with individuals who are requesting either price supports or loan guarantees.

We are considering both kinds of support as requested by the proposers. So that there is in that program no preselection of one mechanism or another. We are responding to the requests of the proposer.

Senator McCLURE. So far it's all been on one, there has been nothing else?

Mr. LEGASSIE. Well, you are talking about the loan guarantees for alcohol fuels. As I say, I can't speak to the basis of that situation. I can say that I do not see in other parts of the Department's activity, particularly those I am administering, any prior preference for one versus another.

It seems to me that all the historical analysis in this area indicates that different companies have different preferences as to the kind of support they seek.

Some incentives are potentially feasible and appropriate for particular technologies in particular kinds of companies.

Senator McCLURE. Does it mean the program is being directed by the commercial banks?

Mr. LEGASSIE. Certainly, there is a bank involved, in any event.

Senator McCLURE. Banks love loan guarantees, don't they? They get the same amount of interest and no risk.

Mr. LEGASSIE. If you have a price-support contract or guaranteed purchase price the bank is also assured that there is going to be a revenue stream to pay off——

Senator McCLURE. They are assured a revenue stream but apparently they prefer the loan guarantee.

Mr. LEGASSIE. I can't speak for banking philosophy, sir. That may be the case.

Senator McCLURE. Banking philosophy has something to do with the programs you are administering because apparently they are all coming out one way.

You know, the odds of the game would indicate they would come out a little differently. That there would be some spread. They come out with total uniformity so far. That leads me to believe there is something happening out there that perhaps ought to be recognized.

Mr. LEGASSIE. You may have a point that needs to be pursued, but I will reiterate that in the programs that I am administering, there are proposals of both characters.

Senator McCLURE. But they haven't come out yet.

Mr. LEGASSIE. We are actively negotiating with the individuals. In one case the request is for price support.

FEDERAL GASOHOL PURCHASES

Senator McCLURE. I don't mean to belabor that, but I am a little suspicious when out of all the varieties of options that might be chosen, only one is.

Although purchase agreements under the title were never negotiated, I think we have had some Federal purchase programs, haven't we? DOE and other Federal agencies were in fact purchasing and using gasohol in demonstration projects?

Mr. DEGEORGE. Yes, sir. We did.

Senator McCLURE. Isn't it possible to merge the two to use the gasohol purchase program and demonstration program to demonstrate the feasibility of gasohol which is being done in one area?

Merge that with a project proposal.

Mr. DEGEORGE. It certainly sounds logical. I personally do not know why it was not done, Mr. Chairman.

Mr. LEGASSIE. If I could come back to your earlier question, I have reached for the listing of proposals under the Nonnuclear Act that we are evaluating. I think there are also quite a diversity of both loan guarantees and price guarantees and price supports.

So that I would not want to leave the record with the view that there is only one such proposal we received. There apparently is a substantial scattering of different kinds of authorities being requested when you look at the 3 DPA and 10 NNA proposals we are considering.

Senator McCLURE. Does the Government plan to purchase gasohol or other such fuels for further demonstration in the next fiscal year?

Mr. DEGEORGE. Mr. Chairman, I know that the Government has purchased gasohol fuels through GSA.

You probably know of the existence of that program. I don't know of any plans to extend, within DOE's budget the use of specific——

Senator McCLURE. Will that program be continued?

Mr. DEGEORGE. I don't know, sir. I would have to get back to you.

Senator McCLURE. Do you suppose it might be wise to try to find out to see whether or not the Government is going to be purchasing gasohol to see whether it could be merged with one of these programs?

Mr. DEGEORGE. I presume the GSA program will be continuing, sir.

I would have to talk to them. I understand the thrust of your question and I will provide a response.

[The information follows:]

GOVERNMENT PURCHASE OF GASOHOL FOR DEMONSTRATION

The Department of Energy, being subject to purchase programs by the Defense Fuel Supply Center (DFSC), has conducted tests and demonstrations with gasohol through several of its field offices and laboratories. Gasohol is a proven fuel and will be used whenever possible under DFSC guidelines.

ALCOHOL FUEL PROJECTS

Senator MCCLURE. It seems to me that there is an opportunity at least to use one program to supplement or reinforce the others, rather than just assuming somehow they will both operate in the same market and somehow in that manner be related.

The first solicitation of title II loan guarantees you indicated 16 alcohol fuel projects were selected for further negotiations. Of these 16, how many have proceeded to final approval by DOE?

Mr. PYATT. None have proceeded to final approval. One withdrew and the negotiations and discussions were continuing until the time of the rescission at which time they were stopped.

Senator MCCLURE. How far along in planning or construction are these final lists?

Mr. PYATT. Well along in planning, otherwise they couldn't present a viable proposal. None have commenced construction to the best of my knowledge.

Senator MCCLURE. What was the total amount obligated in loan guarantees to that group?

Mr. PYATT. There were no obligations made. The planning figure for the competitive negotiations we carried on was $800 million.

Senator MCCLURE. I think you have already submitted for the record the list of the awards made, including the name of the organization, size and location of the production facility, and the amount of the award.

Mr. PYATT. Yes, but may I clarify. There were no awards made. There were only announcements that we would carry on with these 16 firms in negotiations and that was clearly—from which nothing may happen, depending upon the quality of the project.

Senator MCCLURE. Some money was expended from title I funds and feasibility and planning; is that not correct, on these 16?

Mr. PYATT. Oh, yes, sir. There was approximately $1 million involved in environmental study of what would happen and approximately $2 million was involved in administration costs and evaluations and continuation of the negotiations.

Senator MCCLURE. So about $3 million has been expended on the project. That was title I money?

Mr. PYATT. Yes.

SRC PROJECTS

Senator MCCLURE. I have some further questions I want to submit for the record. One I would like to get on the record now, this committee has great interest in the SRC–I and SRC–II projects. Could you

give us a brief narrative of just exactly what they hope to accomplish or show and how much they will utimately cost, what the administration intends to do with them in terms of 1981 and 1982 funding?

Mr. LEGASSIE. Yes, sir. The two projects are for a form of coal liquefaction known as direct liquefaction, which means that coal is dissolved in a liquid medium as opposed to the indirect liquefaction approach which is commercial technology in which you gasify coal, basically take it apart into its components of carbon and hydrogen, and then reassemble those components into a liquid fuel.

Direct liquefaction has a potential for being a more thermally efficient and more economic method of liquefying coal than present technology which is available worldwide. It therefore has been the basis of a historic development program in the Department of Energy.

Besides the SRC projects for which there is an operating pilot plant in Tacoma, Wash., of about 25 to 50 tons a day of coal capacity, there are two larger pilot plants of about 200 to 250 tons a day capability using different versions of the direct liquefaction technology. These are the Exxon Donor Solvent project and the H-coal project. Both of these facilities are now operating and providing data.

The SRC–I and II projects were to design, build, and operate in both cases a plant of about 6,000 tons a day of a demonstration character. So, it is a very large step upward from the 50-ton-a-day Tacoma SRC plant or the 200- to 250-ton-a-day pilot projects which are generically related but not identical.

In the case of SRC–I, the primary emphasis is on a very versatile technology in that the spectrum of products produced would extend all the way from a very clean solid material, which could be burned in the utility boiler without flue gas desulfurization because it would be very low in sulfur, to liquids which can be upgraded to boiler fuel or even to gasoline using existing refinery technology.

In the case of SRC–II, the demonstration plant would primarily produce boiler fuel, but the focus of the technology is really toward the gasoline market.

Each plant would be a module of a commercial plant. Each would process about 6,000 tons a day. It would take perhaps five such modules, giving you a plant of 30,000 to 35,000 tons a day, in order to have the economies of scale to be economic in the marketplace. Both of these projects have had their environmental impact statements produced; the SRC–II project, in fact, has a final statement available on which we are now awaiting any further public comment, and will shortly be in a position to issue a record of decision.

We are in the design phase on both projects. The designs are still in the early stages. The intent has been to overlap construction with design in order to have an accelerated schedule.

Both projects are currently scheduled to be built and operable by the fall of 1984. That schedule is extremely optimistic and I would say, sir, that I am not at all confident that it is a credible schedule at this moment.

The current cost estimates are in the neighborhood of, $1.488 billion for SRC–I. Essentially all but $120 million is Government money.

In the case of SRC–II, the total project estimate is about $1.439 billion. That project is 50 percent cost shared by the Governments of Japan and Germany. In addition, there is also about $100 million of private funding—some of which is in kind or in materials as opposed to cash and some of which is to be provided later in the event it is required.

So, in neither case are there substantial private-sector contributions in percentage terms.

Given the state of the technology and very high risks involved in these projects, however, $100 million is a large sum of money for each of the private entities involved. In terms of our present perceptions, there is cost growth inside both projects which is of substantial concern to us.

As I say, we are in the early phases of design. The design experience is telling us that our previous estimates need to be revised.

Senator McCLURE. Upward?

Mr. LEGASSIE. Upward, yes, sir. We are looking at that data trying to reach some judgments as to how significant those cost increases might be and whether or not there are actions we might take to maintain that cost growth in hand so as to not allow it to happen.

So specifically in the case of SRC–II, we are looking at the question of what a project of half that size would cost. These kinds of reviews are necessary, because in that case decisions have to be taken by the three government sponsors in concert on a mutually-agreeable basis.

We have to do the homework in order to tell them what the situation is and see what their views are on how we should proceed.

In terms of 1981 and 1982 funding: In the case of 1982, there is no money for either one of these projects in the Department of Energy's budget. We have indicated in our budget material and the President has indicated in statements prior to that, that it is the administration's view that in such large projects, rather than residing in the Department of Energy, if they are built, should be built under the aegis of the Synthetic Fuels Corporation, which will also be sponsoring other large projects.

These projects and three others we haven't referred to, three gasification projects, are all quite large, quite complex and out of the character of things that the fossil energy part of the Department has been doing.

The 1981 situation is that with respect to SRC–I, we are requesting a rescission of all the construction money previously in the 1981 budget. There is, however, sufficient prior-year funding to fully support the design teams on SRC–I until Congress acts on the rescission requests, so we can keep the design progressing and the teams employed while the project sponsors consider whether or not they want to make a proposal to the Corporation.

In the case of SRC–II, there is $170 million in the 1981 budget which had previously been requested and the administration is requesting a deferral of a portion of that pending the meeting of the three governments to determine how they want to proceed. Again, there is adequate funding to fully support the design and other continuing activities of that project through fiscal 1981.

In both cases, in order to go to the Corporation, or ultimately to be built under the aegis of the Corporation, the private-sector entity—and in the case of SRC–II, the governments as well—would have to agree that a proposal should be developed and submitted to the Corporation.

The Corporation would then have to consider that proposal and make a favorable finding on it before the project could proceed.

Senator McCLURE. The odds of that are somewhere between zero and none.

Mr. LEGASSIE. Sir, I would not want to prejudge the outcome.

AUTHORITY OF SFC TO SUPPORT NONCOMMERCIAL PROJECTS

Senator McCLURE. I wouldn't want to prejudge the outcome either, except that I know what it would be.

If the Synthetic Fuels Corporation is honest, these are not designed to be commercial projects in the first place and would require a change in the statute to even permit them to be considered, isn't that correct?

Mr. LEGASSIE. No, sir, I don't believe that is correct. It is our judgment in the Department, and based on review of our legal staff, that a proposal could be made to the Corporation certainly in the case of SRC–II which would meet requirements that are presently in the Energy Security Act and, therefore, could be considered by the Corporation without any revision of its legislative authority.

Senator McCLURE. You have indicated that these are demonstration projects.

Mr. LEGASSIE. Yes, sir. The provisions I am referring to, and I will supply for the record a copy of this legal review, since I see that you are going to be very interested. It's quite brief, sir.

Senator McCLURE. I don't care whether it is brief or lengthy. It's got to be tortured.

Mr. LEGASSIE. No; I think it is very straightforward, sir. The provisions we are looking at are related to the capability of the Corporation to fund a joint venture which would require the private sponsors to provide 40 percent of the funding required. The Corporation could provide the other 60 percent. The authority extends to the funding of a demonstration module.

Senator McCLURE. There is no question that you have described it as a demonstration project. I understand them both to be demonstration projects. I am somewhat acquainted with the evolution of the legislation that led to the creation of the Synthetic Fuels Corporation.

There is no question it was congressional intention that those would not be demonstration projects; they would be commercial projects.

Mr. LEGASSIE. I think obviously the major thrust of the Corporation's legislation is indeed to support a commercial project. But there is language in the ESA which gives the Corporation the power to support something short of that. It is that power which they have that we are looking at.

Senator McCLURE. I have heard that discussion. I will look forward with great interest to reading that legal opinion and comparing it to the legislative history as well as the words of the act.

[The information follows:]

APPLICABILITY OF THE SRC-II PROJECT
TO THE JOINT VENTURE PROVISION OF
THE SYNTHETIC FUELS CORPORATION

The attached legal analysis describes the authority of the Synthetic Fuels Corporation, as interpreted by the Department of Energy's legal staff, to undertake the SRC-II demonstration project.

RE: The authority of the United States Synthetic Fuels Corporation to undertake the SRC-II project.

Section 136 of the Energy Security Act (ESA) authorizes the United States Synthetic Fuels Corporation (SFC) to "enter into joint ventures for synthetic fuel project modules" subject to certain substantive and procedural conditions and limitations enumerated in sections 131 and 136 of ESA and upon a determination by the SFC Board of Directors that the module will demonstrate commercial feasibility and can be expanded into a synthetic fuel project. As discussed below, these sections permit SFC to become a cost sharing participant in a project such as SRC-II.

In the General Definitions section of the ESA, Section 112(18)(a) defines the term "synthetic fuel project" to mean "any facility using an integrated process or processes at a specific geographic location in the United States for the purpose of commercial production of synthetic fuel." In Section 136(d)(i)(A), entitled "Joint Ventures by the Corporation," the term "synthetic fuel project module" is defined to mean "any facility located in the United States which -

(i) is of a size smaller than a synthetic fuel project;

(ii) will, if successful, demonstrate the technical and economic feasibility of the commercial production of synthetic fuels; and

(iii) can eventually be expanded at the same site into a synthetic fuel project."

The SRC-II plant qualifies as a synthetic fuel project module under these definitions, as it is intended to demonstrate commercial feasibility of coal liquifaction at less than full commercial scale production at a size smaller than a synthetic fuel project which eventually can be expanded at the same site into a full scale commercial project.

The conditions imposed by section 136 affecting SFC's power to become a cost sharing participant in the SRC-II project under the Corporation's joint venture authority follow.

Section 136(a) restricts SFC's financing role to 60 percent of total project module costs. Under the current SRC-II cost sharing arrangement, foreign government contributions are expected to be approximately 50 percent of the total project cost. Therefore, the limitation of SFC financial participation to 60 percent of project costs does not prohibit SFC from participating in the current formulation of the SRC-II project.

The American, German, and Japanese partners in SRC-II International (Pittsburg-Midway, Ruhrkohle AG, and SRC-Japan) can fit the definition of "persons" within the meaning of section 136(d)(2). Therefore, were the project to include funding arrangements to be carried out solely through an arrangement between SRC-II International and SFC, the ESA terms could be met.

Section 136(d)(2) restricts SFC's participation in joint ventures to joint ventures in which SFC and "one or more persons" participate. While it is true that the definition of "person" in section 112(12) does not explicitly refer to "foreign governments," this should not necessarily preclude the SFC from entering into a cost sharing arrangement directly involving the Governments of the Federal Republic of Germany and Japan, if the interested parties so desire. Section 136(a) of the Act clearly evidences a legislative intent that a "concern" may be selected as a participant in a joint venture in which the SFC also participates. A "concern" is defined by Section 112(3) to include "any foreign government or agency thereof when participating in joint ventures with "a person". As stated above, the private participants in SRC-II qualify as persons under Section 112(12) because they comprise an "entity organized for a common business purpose." Consequently, the Governments of the Federal Republic of Germany and Japan, when participating with the private participants as SRC-II International, are "concerns" within the meaning of Section 136(a). Furthermore, the organization in which these Governments and SRC-II International participate literally constitutes an "entity organized for a common business purpose." The common business purpose in this case is the SRC-II project. Accordingly, this entity qualifies under the Act as a person with whom SFC may join in a cost sharing joint venture.

Section 136 allows SFC to participate in management decisions of the joint venture but does not permit SFC to deny persons who are co-venturers primary management responsibility. This comports with the SRC-II agreement that Pittsburg and Midway (and subsequently SRC-II International) shall be primarily responsible for the construction and operation of the project and would require some restructuring of the present project management in which DOE is primarily responsible. However, in all SFC funded projects it will be necessary for the SFC to establish certain project management activities to assure that projects are efficiently conducted within prescribed costs.

Under section 136(f)(2) the Corporation shall be liable only to the extent of its contractual commitment to contribute capital. This precludes fulfillment of the Insurance and Indemnity provision of Article XXIII of the SRC-II contract, as modified on 31 July, 1980. It is important to note, however, that this condition does not seriously affect SFC's power to participate in the project. Rather, this provision merely restricts SFC's liability in the project to the amount of capital SCF contributes. In other words, this condition prevents SFC from incurring liability on its assets beyond those committed to the project.

The requirement of Section 136(c) that SFC shall in no case participate in the joint venture longer than 5 years after the date of operation does not affect SFC's ability to enter this project nor does it affect the current makeup of the project, as this period is significantly longer than the Buyout provision of article XXXI of the SRC-II agreement, which is to be initiated at the end of the 2 1/2 year operation period. If the project participants were not to buy out the SFC interests in the project, then the Act would require the SFC to sell its interest in the project to other parties.

The procedural conditions imposed by section 131 affecting the manner by which SFC may become a cost-sharing participant in the SRC-II project follow. Sections 131(a) and 131(b) 4) require the SFC to first solicit bids for financial assistance on a competetive basis where it is "practicable and provident to do so." SFC's Initial Solicitation of Project Proposals, published in the 2 December, 1980 Federal Register, arguably satisfies this competitive requirement for SRC-II purposes. Even were SFC to consider this solicitation not to embrace SRC-II, SFC could issue a further solicitation embracing projects like SRC-II.

Section 131(p) prohibits the SFC Board of Directors from engaging the Corporation in the SRC-II joint venture unless the Board "determines that neither price guarantees, purchase commitments nor loan guarantees will adequately support ... the synthetic fuel project or will restrict the available participants for such project." This financial support by the SFC for joint ventures has a lower priority than other financial incentives available to the SFC. Under the circumstances of the SRC-II project, it would be within the sole discretion of the SFC Board to make a determination as to whether the SRC-II project should receive its support as a joint venture. Considering the large sum of funds available to the SFC it is reasonable to assume that some of its funds will be used for financial assistance such as joint ventures, which are lower in priority than price and loan guarantees.

For the reasons stated above, SFC has adequate authority to undertake the SRC-II project through its powers to engage in joint ventures under Section 136.

Senator McCLURE. Senator Huddleston.

Senator HUDDLESTON. Well, Mr. Chairman, my concern was along the same line as yours. As you know, we have talked about this. I am wondering, does the Department take the position that it is entirely the responsibility of the sponsoring organization as to whether or not they will, in fact, go to the Synthetic Fuels Corporation with an application? Or is the Department taking some initiative to see that this occurs?

I guess what I am really asking is, do these projects still enjoy a high priority within the Department? Is there an effort to seek some way to accomplish it? If Senator McClure is right and legislation is necessary, is the Department willing to help with the preparation of legislation that would make it possible to fit these projects into the Synthetic Fuels Corporation?

Mr. LEGASSIE. Well again, let me say, sir, we do not presently see, based on analysis we have, the need for such legislation. But to come to the first part of the question you asked, we are trying to be of assistance both to the projects and to the Corporation in terms of a positive view of the President's proposal.

We believe that we cannot make the proposal for the private sector. The Corporation can only receive a proposal from the private sector. So, we cannot do it for them.

But, we are doing a number of things of the following character. We have contacted each of the project partners we presently have who would have to be proposers if they chose to, and offered them our assistance in any way, shape or form that they might desire in terms of considering the question or in seeking our assistance in putting a proposal together if that is what they want.

We are prepared to help them. We have, of course, received differing responses from the different projects.

Senator HUDDLESTON. Will you do more? Will you be an advocate?

Mr. LEGASSIE. We have then gone to the Corporation. We have dealt on a staff-to-staff basis with the Corporation because, as you know——

Senator McCLURE. That is all there is.

Mr. LEGASSIE. And we have told the staff that we believe all of these projects to be good and worthy projects of consideration if, in fact, they receive specific proposals.

I must say, sir, though, that I think that I could not, myself, recommend that 5.5 billion dollars' worth of demonstration projects, which is the sum total of all five projects that have historically been in the Department's program, is appropriate for construction in the fiscal conditions this country now has.

Senator McCLURE. You cannot recommend that?

Mr. LEGASSIE. No, sir, I would not recommend that all five projects proceed.

Senator McCLURE. Even under——

Mr. LEGASSIE. In that statement, I am not trying to say that I have some view that project A should and project B should not.

Senator McCLURE. Even if funded through the Synthetic Fuels Corporation?

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Mr. LEGASSIE. That's right. I am trying to make an affordability kind of statement, sir. If the Synthetic Fuels Corporation has $17 billion available in total for all of its activities, and we see already some 5 billion dollars' worth of activity in the DPA and NNA, I would not, from the standpoint of the Department of Energy, recommend to the SFC that they use one-third of the available funds for demonstration projects and have only two-thirds available to support commercial projects.

I am trying to make clear that on the one hand I think all the projects that are historically in the Department's program are good projects. There are sound reasons for them being there, with good rationale and good logic for having been selected for consideration in the first place. But on the other hand, I don't think the Federal Government can afford to proceed with that large a scale activity within the fiscal condition we are looking at.

We have gone to the Corporations and said, let us tell you in detail, if you want to know, about all of these projects. They have said, we do want to know. Please give us a very substantial amount of technical and other kinds of information so that we are in a better position to understand what these are about. And we are doing that.

So, we have not been passive. We have operated both with the Corporation and with the sponsors trying to find appropriate things for us to do in these circumstances.

Senator HUDDLESTON. If I might, Mr. Chairman?

Senator MCCLURE. Surely.

SRC-I PROJECT

Senator HUDDLESTON. On the SRC–I project, you mentioned prior-year funding. What can be accomplished in your judgment with those funds that are available for the remainder of the fiscal year?

Mr. LEGASSIE. As I understand it, there really is just about enough money to keep the design team functioning during this fiscal year. So, there is not a lot of elbow room in the money that is available following the rescission we are requesting.

Senator HUDDLESTON. Does DOE have a procedure for expedited consent reviews so procurement actions can go forward, or are you discarding the schedule?

Mr. LEGASSIE. I would have to say we have not, in any of the projects we have been progressing so far, established in my view, a very good track record of speedy considerations on the part of the Government of those contractual actions, and I would not want to say otherwise to you.

Part of that has been a problem in my view of an appropriate level of staffing. We had been living in a situation where we saw a number of large demonstration projects become our responsibility. We have developed staffing plans. But, there has been delay in being able to respond to those.

We have been working, I think, under rather difficult circumstances trying to do the best job we can. But we have not been as speedy in our actions as we would like to have been.

Senator HUDDLESTON. Doesn't this affect the ability to get a realistic cost estimate devised?

Mr. LEGASSIE. Yes, it does. In fact, you may be specifically having in mind the business of having a construction manager available.

Senator HUDDLESTON. Yes.

Mr. LEGASSIE. I did read your mind correctly.

Senator HUDDLESTON. You did.

Mr. LEGASSIE. I do think in order to have a sound cost estimate for construction, one needs to have the construction manager on board. He has special knowledge and expertise that the design team does not have.

In the case of SRC–II, we have managed to get that done. In the case of SRC–I, we have not yet got that done.

Senator HUDDLESTON. Even if this project moves to the Synthetic Fuels Corporation, you will need to proceed in that manner up to the point of at least making a decision, will you not, as efficiently and effectively as we can?

Mr. LEGASSIE. Yes, sir, we are not trying to hobble the forward course of these projects during this period of consideration.

Senator HUDDLESTON. Do you have any plans or expectations for improving the process, in the brief time we have left, for making a determination?

Mr. LEGASSIE. We have been struggling with that problem for the last year and a half. It is not something that is easy to resolve overnight.

Senator MCCLURE. I am more interested in the other side of the possible equation. You said we do not intend to hobble the program. Do you intend to move it forward?

Mr. LEGASSIE. Yes, sir, we are trying to keep——

Senator MCCLURE. As aggressively as if it was still going to be in your budget next year, or is it kind of a stepchild?

Mr. LEGASSIE. We are, indeed, trying to keep forward motion proceeding. For example, we are pressing forward with the final EIS on SRC–I, as we are on the Memphis project that we haven't referred to, but which is in a comparable situation.

We made a decision not to proceed with final environmental impact statements on the two high Btu projects because they really are in a different status than the other three.

Maybe that is not a matter that we need to discuss here, but I mention it for completeness. In the cases where actions like that are in progress, we have not slowed those actions down.

Senator MCCLURE. You have not slowed them down?

Mr. LEGASSIE. No; we have not.

Senator MCCLURE. In spite of the decision for the 1982 budget that so far as 1981 activities are concerned, the process goes forward at the same pace, is that correct?

Mr. LEGASSIE. Yes, sir, we recognize the rescission is a request to the Congress and that you have to consider and make a decision on it.

GERMAN PARTICIPATION IN SRC–II

Senator MCCLURE. I have read in the newspapers and heard other comments made with respect to the reevaluation of the participation in SRC–II by the Federal Republic of Germany. The Bundestag is apparently entertaining debate as to whether or not they will come up with their amount of participation.

Have you heard those comments as well?

Mr. LEGASSIE. More than that, sir. I am intimately familiar with the status of these matters because it is a project under my management. Sometime back, the German Government indicated to us that they had taken a severe cut in their overall energy budget. It was of such a magnitude that it really prevented them, particularly with respect to downstream commitments, to be able to proceed with a large number of major activities simultaneously, and that they were going to have to pursue a number of avenues.

One possibility was to obtain or seek to obtain more private activity in the projects. Another involves a breeder reactor being built in Germany and other nuclear projects also in Germany, so it's not a question of a single project.

If they could obtain more private-sector funding from German utilities for their breeder, that would relieve budgetary pressure and they would be better able to participate in SRC–II and vice versa.

They also sought more private-sector participation in the SRC–II project itself. The status of all these matters is that there are still no final decisions. We do not yet have a full set of responses across the entire spectrum of the problem they have.

I was in personal, direct discussion with the leading representative on this matter for the German Government some 2 weeks ago. He was in my office for consultations on these matters.

I believe I am fully apprised of the status of the situation. The present expectation for resolving these issues is a three-party governmental meeting, Japanese, German, and the United States, meeting formally for the first time since the U.S. budget was submitted to Congress.

Senator MCCLURE. It's more than a humorous question. Will Haig let you do that? Because there is a problem emerging as to whether other departments of Government, including the Congress, have the right to have any conversations with anyone else.

Mr. LEGASSIE. Let me say, sir, in relation to the SRC–II project, the State Department has been a strong ally historically involved in all the activity. They are fully aware of all the discussions I am having. They have participated in some of them, and outstanding——

Senator MCCLURE. I wouldn't expect you to say anything less than that.

You have indicated you are aware of cost escalation in these two projects.

Mr. LEGASSIE. Yes, sir.

Senator MCCLURE. And that you are trying now to determine the scope of the escalation, the reasons for it, and ways to cope with it. Am I correct?

Mr. LEGASSIE. Yes.

Senator MCCLURE. Do you have adequate resources to continue that effort in an expeditious way?

Mr. LEGASSIE. I believe we do, sir. I'm not aware of a problem in pursuing a better understanding of that, with the exception, perhaps, of the point Senator Huddleston made about the fact that we have not yet resolved the selection of a construction manager for SRC–I. To that degree, participation of that type of mentality in consideration of this for that project would indeed be helpful.

At the same time, that is a very significant contract in terms of dollar scope. I think we have to recognize that the procurement process has to operate in a way that reflects that.

Senator McCLURE. Really, what I'm getting at is, are you going to be able to keep us advised? Are you going to get far enough into that to give us some information as to what the cost escalation is and whether or not the projects remain feasible?

Mr. LEGASSIE. Yes, sir, although, obviously, our knowledge and view of that will improve over time, because there is a substantial amount of material that has to be examined and understood. I would, for example, personally not have a lot of confidence in the accuracy of anything I were to say to you today, because we need to be sure we really do understand this territory before we give you advice.

Senator McCLURE. We had to have confidence in somebody's judgment when we arrived at the original cost projection. I would hope your reevaluation could be at least as good as the initial evaluation.

Mr. LEGASSIE. In fact, that is a matter that concerns me greatly, Senator, because to the extent there were prior estimates and those prior estimates are now turning out to be unreliable, that concerns me with respect to the validity of any estimates I now make and furnish to you.

Senator McCLURE. That doesn't help me very much, does it?

Mr. LEGASSIE. No, sir, but——

Senator McCLURE. It would indicate, maybe, we ought to stop them right now before they get worse.

Mr. LEGASSIE. I would not—I certainly am not ready——

Senator McCLURE. They are more reliable than that, are they?

Mr. LEGASSIE. I'm not ready to make that kind of recommendation to you either, sir.

Senator McCLURE. We will just keep on spending money until we find out whether it was foolish or not?

Mr. LEGASSIE. I think, sir, we will know considerably more, have a better understanding of this, some 30 days from now.

Senator McCLURE. All right.

Mr. LEGASSIE. I believe the proper course of action is to pursue it——

Senator McCLURE. You indicate you can give us some information with some credibility within 30 days or thereabouts?

Mr. LEGASSIE. Yes, sir.

Senator McCLURE. Thank you.

You have also indicated that there are a number of proposals under the Defense Procurement Act and Nonnuclear Act which you suggest can be moved over to the Synthetic Fuels Corporation.

Mr. LEGASSIE. If I understand it, if we consummate the arrangement with any three of the proposers in the DPA either prior to June 30 or prior to the time the Corporation is activated formally, the Corporation can then move those projects to the Corporation.

Senator McCLURE. Yes; I'm sure that is correct.

Mr. LEGASSIE. Yes.

Senator McCLURE. You have indicated that even if they were not thus finalized before the Corporation came into being or the time elapsed, they would qualify or could be applicants to the Synthetic Fuels Corporation?

Mr. LEGASSIE. Yes; if for some reason we do not close and June 30 came and the moneys were then transferred to the Corporation, there is no reason I'm aware of why the Corporation could not continue to pursue closure with those same companies.

GREAT PLAINS GASIFICATION PROJECT

Senator MCCLURE. Thank you. I have some further questions I will submit for the record.

One final question. Do you have any confidence that the reproposal from Great Plains will—that they will be able to get together and make a new proposal, that it's in the ballpark?

Mr. LEGASSIE. I asked my staff that question this morning before I came over here, sir, because I have been testifying for some time that we are expecting a proposal. I was reassured that the belief is that, indeed, there will be a proposal and that it will be coming relatively soon and that that statement that we are expecting something is not a subterfuge, but that we really are expecting something. So that, to the best of my knowledge, is the fact.

Senator MCCLURE. I hope the parties involved in that are able to resolve their discussion favorably. It is one project that's got an awful lot of money invested in it, is further along than any other, and has great promise for showing what can be done if, as a matter of fact, it can be made to fly. I would hate to see it fall apart at this late date, because I think it would shake the confidence of everybody else with respect to such future projects.

Mr. LEGASSIE. We are of the identical view. We are looking forward with expectation to actually receiving this proposal.

Senator MCCLURE. Thank you very much.

If some of the questioning has been a little pointed this morning, I recognize the difficulty that you are under in a budget evolutionary period such as this. I share many of the concerns that you have. I am sure you share many that I have.

ADDITIONAL COMMITTEE QUESTIONS

We will be submitting some questions for the record, both myself, Senator Andrews, and perhaps other members of the committee. We would appreciate having those responses in writing within 2 weeks so we can close the hearing record.

Mr. LEGASSIE. Thank you, sir.

Senator MCCLURE. Thank you very much.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Question: What types of research and development activities in alternative fuels is DOE currently pursuing or may be pursuing in the future, particularly long-term, high-risk R&D which industry cannot be expected to undertake?

Answer: DOE activities in alternative fuels utilization are primarily devoted to transportation fuels for which complex combustion, lubrication and air pollution requirements are most demanding. Currently a change in emphasis is in progress from shorter-range questions about alcohol fuels to development of the technology data base characterizing future synthetic fuels for transportation use. Whereas the specifications for motor fuels of the past evolved essentially on an empirical basis, this may not be applicable to fuels from synthetic crudes. Also derivation of alternative fuels from synthetic feedstocks provides the necessity and opportunity to make tradeoffs between future fuels and future engine designs. The focus of DOE programs will be to assess the energy implications of future alternative motor fuels.

Question: For the record, how much is now being spent for these R&D activities, and what is the FY 1982 request for them?

Answer: Fiscal year 1980 and 1981 appropriation budgets were $5.3M each and the FY 1982 budget request is $5.4M for alternative fuels utilization activities.

The key activities in FY 1981 consisted of the following: Complete the data base for use of alcohol fuels; conduct field proof-of-performance fleet tests in various climatic and geographical areas on gasohol and a formulated ethanol and gasoline fuel blend; provide technical support to DOT/UMTA and USPS on modified gasoline and diesel vehicles for experimental field operations burning straight alcohol fuel. Approximately $4.7M was committed to these alcohol fuel tasks. Conduct exploratory tests and evaluation on tradeoffs between minimum fuel processing of synthetic crudes and new engine design, $0.3M; study the potential of advanced fuels which includes hydrogen alone and hybrid fuels which might consist of energetic off-the-shelf additive components to enhance more conventional fuels, $0.3M.

Planned activities for FY 1982 are: Complete ethanol/gasoline tests in field fleets, and conduct tests with methanol/gasoline blends and/or methanol/ethanol/gasoline blends, approximately $1.0M; (straight alcohol fueled vehicles testing may continue only as an activity sponsored by the DOE Office of Alcohol Fuels); test a 14 vehicle fleet which was used with alcohol/gasoline blends for use of early available components from shale and coal, and assess the applicability of petroleum-type specifications for these fuels, approximately

$1.5M; continue exploratory tests to establish initial approach to optimized fuel/engine design, $1.3M; acquire available synthetic crude or partially processed synthetic liquids, process these stocks to meet established test fuel specifications and make fuels available for industry-sponsored motor fuel testing, $1.6M.

Impact of Private Sector Funding

Question: You indicated in your testimony that requiring planning and study activities such as these to find financing in the private sector will not affect the "quality" of synthetic fuel projects which may later be funded under another federal program such as SFC. In your opinion, what effect will the move to private financing have on the quantity of such projects being developed in this country in the next few years. One of the "other" federal programs you mentioned is your "interim alternative fuels program". Can you provide us with some details of what you are referring to in this regard?

Answer: We anticipate that a rescission of $300 million in Federal funding for a second round of feasibility studies and cooperative agreements will have little impact on the quantity of projects moving into commercial application in the future. This is evidenced by the significantly large number of applications received by the U. S. Synthetic Fuels Corporation - 61 firms applied initially with additional proposals received after the March 31 submission deadline -- all of which propose moving into actual construction rather than continuing additional studies. Of the proposals received initially, 14 are for oil shale projects, 17 are coal gasification projects, 19 are coal liquefaction projects, 8 are tar sand and heavy oil projects, 1 is a coal-oil project, 1 is a solid fuel additive from coal project and 1 is a hydrogen from water project. The proposed projects are located in 24 states. Together these applications indicate that not only has industry responded significantly, but that the proposals represent a wide diversity of technologies and locales.

Regarding the "interim alternative fuels program," this program refers to the activities for which funds were appropriated under P. L. 96-126 and P. L. 96-304 which includes both feasibility studies and cooperative agreements, and $5 billion of loan and price guarantee, and purchase commitments under authorities of the Defense Production Act and Federal Nonnuclear Energy R & D Act. This program was created as a bridging activity prior to the formal establishment of the U. S. Synthetic Fuels Corporation.

DOE-USDA Memorandum Of Understanding

Question: It is my understanding the DOE-USDA Memorandum of Understanding is now completed, is that correct? Briefly describe for the Committee the important points of that document. In light of the proposed rescissions and ultimate phase-out of this Title II program, of what use do you anticipate the Memorandum will play in the future?

Answer: Yes, the DOE-USDA Memorandum of Understanding is now completed.

The important points of the DOE-USDA Memorandum of Understanding pertain to the mutual goal of promoting renewable energy use in agriculture and stimulating the production of biomass feedstocks. The memorandum affirms these goals and commits both agencies to a cooperative approach that maximizes displacement of petroleum through conservation and biomass production.

Title II of the Energy Security Act has no bearing on the Memorandum of Understanding executed between USDA and DOE. These two agencies will continue their efforts of cooperation regardless of the phase out of Title II.

Budget Revision for Title II

Question: The original FY 1981 budget revision for this Title II program was $745 million. The proposal you have submitted today is for $740.5 million. Can you please explain this $4.5 million discrepancy.

Answer: The $4.5 million in the revised FY 1981 budget represents funding for extensive program management, solicitation preparation, program evaluation and organizational activities underway in 1981 in support of the financial incentives programs provided in the Energy Security Act. All of these activities are to be phased out, in keeping with the Administration's revised alternative fuels strategy. Therefore, no additional requests will be made for FY 1982.

Financial Incentives

Question: Of the ten proposals received as a result of the DPA solicitation last October, you indicate three were elected which could lead to the issuance of commitments. For the benefit of the Committee, please give us a general description of each of the three, including the amount of award sought by each. How far along are the negotiations? Do you have a proposed time frame in which you would like to finish these negotiations? Based on the current situation, do you expect all three will receive awards of some size?

Answer: The three projects selected for negotiations leading to an award under the Defense Production Act (DPA) Authority were sponsored by the Union Oil Company, the Oil Shale Corporation, and Tennessee Synfuels Associates. The first two projects involved oil shale development in Garfield County, Colorado and encompass the production of approximately 50,000 barrels of mobility fuels per day. The third project involves the production of gasoline from lignite coal in the area of eastern Tennessee. On April 17 the Department announced its determination that the Tennessee Synfuels Associates project was not presently at a stage of sufficient maturity to warrant consideration for financial assistance under the DPA solicitation.

The Department is proceeding with negotiations with the two remaining DPA project sponsors in earnest and hopes to conclude these negotiations as rapidly as prudence will permit. To establish a date for the conclusion of these negotiations or to determine anticipated financial awards at this time would require prejudgement of this negotiation process.

Alternative Fuels

Question: In this same regard, how many of the 10 Nonnuclear Act proposals received by DOE do you expect will ultimately be approved for awards? You indicate that your evaluation process on these 10 should be complete by the end of March. It is very near the end of March now -- are you going to meet your schedule? Please provide for the Committee a general description of each, similar to that requested for the DPA proposals.

Answer: There has been some slippage in the evaluation of the proposals under the Federal Nonnuclear Research and Development (NNA) solicitation. The evaluations were completed in April and it is expected that the selection of proposals for negotiations leading to an award will take place by the end of Spring. A general description of the 10 proposals under evaluation is provided in the form of a Department Press Release dated November 16, 1980.

FOR IMMEDIATE RELEASE
NOVEMBER 16, 1980

DOE RECEIVES PROPOSALS FOR 18 PROJECTS
IN $5 BILLION SYNFUELS PROGRAM

The Department of Energy has received proposals for 18 projects in its solicitations for awards of up to $5 billion in financial assistance for the construction of facilities to produce synthetic fuels. Solicitations closed on November 14, 1980.

Six proposals are for oil shale development (3 in Colorado and 3 in Utah), 3 for tar sands (all in Utah), 2 for coal liquefaction (Tennessee, Wyoming), 1 for high Btu gasification (Wyoming), 2 for coal-oil mixtures (Florida and Kentucky), 1 for peat (North Carolina), 1 for hydrogen (Georgia), 1 for synthesis gas (Illinois) and one for waste heat (Illinois).

Acting Under Secretary Worth Bateman said, "These proposals indicate that industry is ready to move ahead quickly and we will expedite the evaluation of the proposals so awards can be made as quickly as possible. We hope to be in a position to issue conditional commitments by the first of the year on those proposals which warrant government support. We will also coordinate closely with the U.S. Synthetic Fuels Corporation since we are acting in an interim capacity until the new corporation is fully operational."

Dr. Bateman added: "This is another important step forward in our national effort to produce synthetic fuels to replace imported oil and thereby lessen our dependence upon uncertain supplies."

Government support, under this program, could be in the form of loan guarantees, purchase commitments or price guarantees. Three billion dollars is available for use in this program to produce synthetic fuels for national defense needs under the Defense Production Act. Another $2 billion is available for financial support under the authority of the Federal Non-nuclear Energy Research and Development Act. A total of 22 proposals was submitted but four were submitted under both solicitations and a project can receive assistance under only one.

These solicitations are aimed at synthetic fuel projects which are essentially ready for construction on a commercial scale level. They do not include fuels from biomass or municipal and solid waste which are being handled under other DOE solicitations.

Attached is a summary list of the responses received. Information on the proposed projects comes directly from the proposals and has not yet been evaluated by DOE. Teams of DOE experts (supported by DOD in the case of the DPA) have been appointed to evaluate the proposals. Screening of the proposals will begin this week.

November 16, 1980

SUMMARY OF PROPOSALS SUBMITTED TO DOE PURSUANT
TO THE AUTHORITIES OF THE DEFENSE PRODUCTION AND NON-NUCLEAR ACTS

I. Synthetic Fuels - Shale Oil

Proposer	Participants and /or Contractors	Site	Process & Products	BOED	Projected Commercial Start	Authority/ Incentives
1. Union Oil of California	Not provided in Public Summary	Parachute Creek Garfield Co., Colorado	Union upward flow retort-synthetic crude oil, jet aircraft fuel and diesel fuel	10,000 . . . 50,000 . . .	1983 1987	DPA/Purchase Commitments with Advance Payments
2. Paraho Development Corporation*	Davy McKee Corp. Cleveland Cliffs Iron Co. VTN Consolidated, Inc. AscoVirconmental, Inc.	Southeast of Vernal, Uintah Co., Utah	Hydro treating - turbine fuel, gasoline, diesel fuel	10,000 . . . 30,000 . . .	1984 1986	NSA and DPA/Purchase Commitments
3. The Oil Shale Corp., (TOSCO)*	Exxon (not applying for assistance) C.F. Braun & Company	North of Parachute Garfield Co., Colorado	Tosco II surface retort shale oil, jet fuel, diesel fuel, gasoline	48,300 . . .	mid 1980's	NSA and DPA/Loan Guarantee
4. Natcon Inc.	Paraho Combination	Roosevelt, Utah	Hydroprocess - upgraded crude shale oil, gasoline, jet fuel, diesel fuel	20,000 . . .	1984	DPA/Purchase Commitments with Advanced Payments
5. Cathedral Bluffs Shale Oil Co.	Occidental Oil Shale, Inc. Tenneco Oil Shale, Inc.	C-b Tract Rio Blanco Co., Colorado	VAIB/Surface Retort-shale oil	55,000 . . . 94,000 . . .	1986 1990	NSA/Not provided in Public Summary
6. Shale Development Corp.	**********	Utah	********** NO PUBLIC SUMMARY PROVIDED			**********

* One proposal submitted under each authority

SUMMARY OF PROPOSALS SUBMITTED TO DOE PURSUANT
TO THE AUTHORITIES OF THE DEFENSE PRODUCTION AND NON-NUCLEAR ACTS

II. Synthetic Fuel: Tar Sands

Proponent	Participants and /or Contractors	Site	Process & Products	BOED	Projected Commercial Start	Authority/ Incentives
1. Great National Corp.	Energy Resources Co. Morrison-Knudsen	Sunnyside, Utah	Process not provided in Public Summary - syncrude	10,000 . . .	1986	DPA/Not Provided in Public Summary
2. Great Basin Hydrocarbons Inc.*	Koppers Co. Ryring Research	Green River Utah	Clark Hot Water and Koppers-Totzek gasification - syncrude and methanol	60,000 . . .	Not provided in Public Summary	DPA and DPA/Not provided in Public Summary
3. Asrim Development, Inc.	Not provided in Public Summary	Eastern Utah	ADI Chemical Extraction - syncrude	20,000 . . .	1986	DPA/Purchase Commitments, Price Guarantees, and Loan Guarantees

III. Synthetic Fuel: Coal Liquids

1. Tennessee Synfuels Associates	Koppers Company, Inc. Cities Service Co. The Continental Group, Inc.	Near Oak Ridge Tennessee	KBW Gasification, Pullman-Kellogg methanol synthesis, and Mobil MEG - gasoline	20,000 . . .	1985	DPA/Not provided in Public Summary
2. Hampshire Energy*	Northwestern Mutual Life Insurance Co. Kaneb Services, Inc. Koppers Company, Inc.	Campbell County, Wyoming — Southwest of Gillette	Lurgi and Koppers - gasoline, propane LPG, mixed butanes, anhydrous ammonia, sulfur, CO_2	20,000 . . .	Not provided in Public Summary	DPA and DPA/Not provided in Public Summary

* One proposal submitted under each authority

SUMMARY OF PROPOSALS SUBMITTED TO DOE PURSUANT
TO THE AUTHORITIES OF THE DEFENSE PRODUCTION AND NON-NUCLEAR ACTS

Proposer	Participants and /or Contractors	Site	Process & Products	BOED	Projected Commercial Start	Authority/ Incentives
IV. Synthetic Fuels: Peat						
1. Energy Transition Corp. (ETCO)	Methanol Production Partners	Creswell, North Carolina	Process not provided in Public Summary - methanol	17,000 . . .	1984	DPA/Not provided in Public Summary
V. Synthetic Fuels: Coal Oil Mixtures						
1. Ranklick Corp. & R.C. Barr Co., Inc.	Not provided in Public Summary	Jacksonville, Florida	Coal-Oil Mixture	5,300 . . .	Not provided in Public Summary	DPA/Not Provided in Public Summary
2. Costigold, Inc.	Not provided in Public Summary	Shelbyville, Kentucky	Coal-Oil Mixture	3,600 . . .	Not provided in Public Summary	DPA/Purchase Commitments, Price Guarantees
VI. Synthetic Fuels: High Btu Coal Gasification						
1. [illegible] Coalgas, Inc.	Rochelle Coal Company	Douglas, Wyoming	Lurgi, Texaco - High Btu Gas	25,000 . . . 50,000 . . .	1986 1988	DPA/Loan Guarantees
VII. Synthetic Fuels: Other						
1. Jeff Evans and Mary Baker	Not provided in Public Summary	Atlanta, Georgia	Electrolysis - Hydrogen	Not provided in Public Summary . .	One year after provision of financial assistance	DPA/Loan Guarantees Purchase Commitments

SUMMARY OF PROPOSALS SUBMITTED TO DOE PURSUANT
TO THE AUTHORITIES OF THE DEFENSE PRODUCTION AND NON-NUCLEAR ACTS

	Proponent	Participants and /or Contractors	Site	Process & Products	BOED	Projected Commercial Start	Authority/ Incentives
2.	Fusion Energies Corporation	Not provided in Public Summary	Hampshire, Illinois	Electrolysis - Synthesis Gas	25 . . .	Not provided in Public Summary	DOE/Loan Guarantees in Public Summary
3.	Stockyard Energy Recovery Associates	Not provided in Public Summary	Chicago, Illinois	Waste Heat - Electricity	700 . . .	Not provided in Public Summary	DOE/Use provided in Public Summary

Key: DPA - Federal Non-Nuclear Energy Research and Development Act (Public Law 93-577)
EPA - Title I, Part A of the Energy Security Act (Public Law 94-294)
BOED - Barrels of Oil Equivalent Per Day.

FOR IMMEDIATE RELEASE
NOVEMBER 19, 1980

DOE GIVES CONDITIONAL APPROVAL ON $1.5 BILLION LOAN GUARANTEE FOR GREAT PLAINS COAL GASIFICATION PLANT

The Department of Energy has given conditional approval for a loan guarantee of up to $1.5 billion of project costs for the Great Plains Coal Gasification plant in North Dakota.

"This will be the first commercial synthetic fuels plant in the nation to produce pipeline quality gas from coal," Acting Under Secretary Worth Bateman said today. "We are taking this action to develop synthetic fuels to reduce the vulnerability of our nation to imported oil."

The Great Plains plant near Beulah, in North Dakota's Mercer County, will produce 125 million cubic feet per day of synthetic gas from the abundant reserves of lignite coal in the area. It is being built by a consortium led by subsidiaries of the American Natural Resources Company of Detroit and Peoples Energy Corporation of Chicago.

The other three are subsidiaries of Columbia Gas System of Wilmington, Delaware; Tenneco Inc. of Houston, Texas, and Transco Companies, Inc. also of Houston.

DOE gave conditional approval to a $250 million loan guarantee last July to allow preconstruction activities to continue during the summer and avoid a delay which would have increased costs. The $1.5 billion conditional commitment incorporates the $250 million, and specifies that final approval of the loan guarantee is conditioned upon DOE's full processing of the application.

In issuing the conditional commitment for the loan guarantee, DOE is acting under provisions of the Federal Nonnuclear Energy Research and Development Act of 1974 and a congressional mandate for DOE to initiate an interim synthetic fuel program which would serve as a bridge to the new U.S. Synthetic Fuels Corporation and expedite the development and production of alternative fuels.

DOE - SFC Relationship

Question: Can you explain for the Committee the relationship between DOE and the Synthetic Fuels Corporation? Assuming the transfer of some of these projects is made, will any DOE employees be transferred or detailed to work at the SFC on these same projects? Please provide, for the record, complete details of any movement -- for any reason -- of DOE personnel to the SFC.

Answer: The Department and the Corporation have been and are continuing to cooperate closely in the evaluation and the negotiation of proposals submitted in response to the solicitations issued pursuant to the Federal Nonnuclear Research and Development Act (NNA) and the Defense Production Act (DPA). For the DPA effort, the Corporation has personnel participating directly with the Department in the negotiations process. Prior to their participation, the Corporation submitted the names of their personnel to be involved, and the Department conducted a check to ensure no conflict-of-interests existed. For the NNA proposal evaluations now proceeding, a similar check was performed and the Corporation personnel cleared have been sitting in on the final stages of these evaluations. For both the DPA and NNA, these Corporation personnel have been provided access to both the proposals as well as the Department's evaluation records on the proposals.

We don't know at this time of the Corporation's needs of Department personnel to provide technical assistance on projects that may be transferred. This is really a matter for the Corporation to decide, i. e., whether or not

they request Department personnel. If they do, we will be happy to provide it on a reimbursable basis to the extent our resources allow and in accordance with Section 172 of the Energy Security Act and other applicable law. Currently, two employees have been detailed to the Corporation, at its request, to provide assistance.

Alternative Fuels

Question: With regard to the Great Plains Gasification project in North Dakota, when do you expect to receive the revised proposal? Why was a revision necessary? The proposal to construct this commercial high-Btu gas project has, of course, been in the works for some time, yet never seems to make much progress. At what stage is the development of this project, and what costs have been incurred so far by private as well as public sources?

Answer: The Department received a revised loan guarantee application on the Great Plains Coal Gasification Project on April 15. This loan guarantee application was necessary since the certificate from the Federal Energy Regulatory Commission (FERC) upon which the original application was based was voided by a District of Columbia Circuit Court in December 1980.

The Great Plains Coal Gasification Project in North Dakota has been a special project set aside under the Federal Nonnuclear Research and Development Act (NNA) and received a $1.5 billion conditional loan guarantee commitment on November 19, 1980. The project will produce 125 million cubic feet of synthetic gas per day from lignite coal located in the area of Beulah, North Dakota. The project is sponsored by a consortium led by subsidiaries of the American Natural Resource Company of Detroit and Peoples Energy Corporation of Chicago.

In December 1980, a District of Columbia Circuit Court decision was issued which ruled that the Federal Energy Regulatory Commission (FERC) lacked jurisdiction to issue a certificate for the coal gasification plant. This certificate, if issued, would have permitted project financing and construction. The basic issue involved the sharing of project noncompletion risks among the project sponsors and the customers of synthetic gas to be produced. With this certificate the rate payer, i. e., the consumer of the gas, would bear the principal risks associated with project noncompletion. As a result of the court decision many of the terms of the conditional commitment will have to be renegotiated.

The project sponsors have refiled before FERC on April 15, 1981 and the closing date for comments on the certificate was April 20. The FERC is presently considering whether a hearing is necessary, but the project sponsors are hopeful that the FERC will merely issue an order acceptable to the potential customers of the gas. Assuming this to be the case, the project sponsors resubmitted a loan guarantee application to the Department for $1.8 billion on April 15. If the project is selected, it is projected that a loan guarantee could be issued by mid-July 1981.

To date approximately $80 million has been spent toward the initial phases of the Great Plains project. Of this amount, nearly $25 million was supplied by DOE under a cooperative agreement. These DOE funds were used for pre-construction activities and are to be repaid upon successful project financing. The remaining $55 million was supplied by the private sponsors of the project.

Questions Submitted by Senator Andrews

Reliable Supply of Feedstocks

Question: Is DOE doing anything to coordinate its activites with USDA to secure a reliable supply of the major biomass feedstocks of crop residues, wood and grass?

Answer: The DOE is coordinating its efforts to assess and develop the potential of wood biomass available for energy applications with the USDA. In order to more accurately assess the wood biomass resource base, methods must be developed to estimate total above ground wood biomass. Current inventories focus upon the merchantable bole of trees. Through an Interagency Agreement,

DOE is providing funds to the US Forest Service to develop new biomass equations and procedures which can then be incorporated into the Forest Service State Inventories. Wood residues and dead or defective trees offer a potentially abundant wood biomass source but available harvesting equipment has been designed principally for handling large and relatively uniform logs. Through the Interagency Agreement, DOE is working with the USDA to improve equipment currently available and to develop specialized equipment to efficiently harvest and collect these types of materials.

As part of the FY 1981 DOE-USDA Science and Education Administration's agricultural energy plan, effort will be made to look at biomass production. Funding for this work is through a RFP published in the Federal Register by USDA on April 7, 1981. The following excerpt from the Federal Register describes the biomass production effort: "The objectives of the biomass production research are to identify and develop herbaceous crops as energy sources. Included are varietal screening, detailed analysis of physical properties, and chemical composition. Development of new genotypes to develop cultivars with the best overall properties is of prime importance. Systems analysis may be used to study frequency of harvest, fertilizer level, and other factors affecting net energy production for particular locations. Other factors for consideration include harvesting, handling, storage, and utilization, since the use of the biomass may be spread over a considerable period of time."

Techrology Transfer to Farmers

Question: In my home state of North Dakota, we have considerable wheat production which not only produces grain but a sizeable quantity of crop residues. If North Dakota gets a share of ethanol from grain production that is proportional to its overall grain production, we would be producing about 50 million gallons of ethanol per year. We have enough usable crop residues in my state to produce an additional 130-200 million gallons of methanol, depending on the efficiency of the syntheses. What is being done to inform farmers about techniques for collecting these crop residues while protecting the soil from excessive erosion? What is being done to develop markets, including alcohol production, for these residues?

Answer: Presently, research efforts are geared toward studying the effects of removing different quantities of various crop residues on erosion, plant nutrients and soil properties. Field sites have been selected that include the major soil types on which large quantities of residues are produced. This is a long-term research effort which will yield definitive guidelines regarding quantities of crop residues that may be removed.

As part of the FY 1981 DOE-USDA Science and Education Administration's agricultural energy plan, effort will be made to look at the removal, storage and use of crop residues where they can be picked up without long-term effects on soil fertility. Funding for this work will become available through a RFP published in the Federal Register by USDA on April 7, 1981.

Federal Alcohol Fuels Program

Question: Farmers are doing a great deal by themselves these days to produce alcohol fuels. In fact, one might question the need for any government support. What has DOE done in the past few years to help the farmer get started in alcohol for fuel production?

Answer: DOE has sponsored workshops to orientate farmers in alcohol fuel production. Alcohol fuels training programs have also been funded at vocational, technical, and community colleges in agricultural communities. The Department has published and widely distributed Fuel from Farms, a guide to small-scale ethanol production.

Question: In the Energy Security Act, Sec. 272, the Secretary of Energy is supposed to submit a report by March 31, 1981, to Congress on needed incentives to promote the use of alcohol as a motor fuel. Will this report be delivered on time? If it is, what are its general conclusions?

Answer: A copy of the report conclusions is attached.

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CONCLUSION

Alcohol is an excellent motor vehicle fuel which will play an increasingly significant role in reducing imports as it becomes price competitive in the marketplace. Pure alcohol fuel in vehicles specifically designed for alcohol burns more cleanly and efficiently than gasoline.

There is no need for legislation requiring that new motor vehicles sold in the United States be capable of using alcohol fuels. They are already capable of using gasohol, the highest percentage alcohol blend now available, and when pure alcohol becomes price competitive with gasoline, the public will demand and industry will produce pure alcohol fuels and vehicles. The technology and manufacturing capability to produce alcohol vehicles is known and now available.

The use of pure alcohol fuels in engines specifically designed for alcohol may be affected by the Clean Air Act. These issues are now under review and the Administration will forward its recommendations to the Congress as part of the overall package of Clean Air Act amendments.

In order to ensure a market open to the introduction of pure alcohol vehicles, the Congress may wish to exempt vehicles using pure alcohol as a fuel from inclusion in Energy Policy and Conservation Act fuel economy requirements.

Market forces currently in motion will determine the future role of alcohol fuels. But the above recommendations should be considered now with a view toward minimizing unnecessary regulatory barriers to use of increasingly economical and domestically-produced alcohol fuels.

Question: While I realize that small scale alcohol production is not under DOE's purview in the Energy Security Act, what is being done by the Administration to develop farm or co-op scale ethanol distilleries that can use crop residues and other biomass as a fuel instead of oil or natural gas?

Answer: The Department has awarded approximately 150 small grants to develop and demonstrate innovative technologies in all phases of the alcohol fuel production cycle, as well as innovative utilization concepts. Many of these funded projects relate to farm and cooperative scale ethanol production using crop residue and other biomass as fuel.

Question: What is being done by the Administration to develop small scale, on-farm or co-op size methanol plants that can use biomass feedstocks such as crop residues, wood or grass?

Answer: On January 23, 1981, $2.3 million was transferred from DOE to USDA by interagency agreements. This money is to be used by USDA to develop performance standards for small-scale ethanol production facilities, conduct enzymatic research, provide alcohol fuel production information to farmers for on-farm production of alcohol fuels and provide research and development funding to educational institutions for integrated farm energy systems.

Question: What sorts of development and demonstration work are you doing that can aid farmers in using alcohol fuels?

Answer: Under the small grants program, funding has been provided to develop and demonstrate all phases of the alcohol fuel production cycle, including the teaching and development of engine conversion to use blends of alcohol.

Question: What are your principal channels for transferring information on alcohol fuels to farmers?

Answer: DOE has established the National Alcohol Fuels Information Center (NAFIC), operated by the Solar Energy Research Institute at Golden, Colorado, to respond to inquiries relating to all aspects of alcohol fuels production and utilization. During the last quarter NAFIC responded to more than 16,200 telephone and mail inquiries and distributed more than 150,000 documents. NAFIC maintains a toll-free number to handle inquiries and has published and distributed a number of guides dealing with alcohol fuel production.

Question: Studies by the Office of Technology Assessment and the National Alcohol Fuels Commission show that if we want to produce enough ethanol to meet 10% of our current gasoline demand we will have to use crop residues, grasses and wood as feedstocks. The technologies for doing this are not well developed as they are for converting grain to alcohol. What are you doing to develop these technologies? Will they be of use on our farms? Are they likely to be developed without government assistance?

Answer: The Office of Alcohol Fuels has funded research to develop the technology to produce alcohol from crop residues, wood, and other alternative feedstocks. This research program has made significant progress in a number of areas that will be of use on our farms such as --

A small-scale still which uses almost any starchy biomass feedstock for producing ethanol to operate farm equipment has been built and operated.

A process has been developed which uses steam explosion, combined with bacterial fermentation, to produce high yields of ethanol from woody biomass.

A small-scale fuels plant, producing 20-25 gallons an hour, has been built and operated to serve as a benchmark standard for farmers.

Research and development will be the primary thrust of the new budget for the Office in FY 1982. Work will continue in the area of process technology to develop alcohol production methods that utilize the most efficient feedstocks and processes in terms of energy and raw material cost and availability.

Question: What is being done to develop farm equipment engines that run more reliably and efficiently on farm-produced alcohol (180 to 190-proof ethanol)? Will engine modifications be extensive and costly? Will the government play a role in this area?

Answer: The Bartlesville Energy Research Center under contract with the Office of Alcohol Fuels has conducted promising tests on running farm machinery on various blends of alcohol and diesel fuel. These tests were conducted on commercially available diesel farm machinery using chemical and mechanical emulsifiers which allowed the engines to efficiently burn ethanol of 160, 190 and 200 proof in mixtures as high as 30 percent.

Under the FY 1982 budget the Office of Alcohol Fuels will continue to do the research, testing, and evaluation necessary to develop and optimize advanced alcohol engine systems.

Oil Crops for Diesel Fuel

Question: I've heard that sunflower oil can be used as a diesel fuel additive. In fact, NDSU in Fargo has been demonstrating its use in a tractor they've developed. Since sunflowers are a major crop in the upper midwest is more research and development necessary to make use of sunflower oil practical?

If so, is the government, through your Agency, planning to do anything along these lines?

Answer: The DOE-USDA Science and Education Administration's energy plan includes many areas of energy development for on farm purposes including oil seed crops as diesel fuel substitutes. The RFP, as published in the Federal Register on April 7, 1981, describes possible research and development activities which may be required to make oil seed crops such as sunflowers practical as a diesel fuel. The following excerpt from the Federal Register describes these activities: "The objectives of the vegetable oil research area are to determine the potential and develop a system for expanded production and utilization of vegetable oils as alternative and emergency liquid fuels for agriculture. Research may be required on screening of germplasm to improve existing oilseed crops, or developing new genotypes with improved yield and oil quality. Development of improved production practices and new harvesting, handling, and storage techniques may be required to optimize the net energy output. The chemical and physical properties of the oils must be determined in relation to extraction methods, degumming requirements, and refining. Studies with innovative fuels, and/or engine modifications may include such tests as thermal efficiency, fuel consumption, startability, carbonization, and fuel injector nozzle effects."

Effects of Budget Reductions on Alcohol Fuels

Question: What do you predict will be the effects of proposed budget reductions in the Department of Energy for alcohol fuels (which I understand will be $32 million in FY 1981 to $10 million in FY 1982) on the growth of alcohol fuels production in the U.S. Private companies, including some in North Dakota, are getting into ethanol and methanol production in a big way. Will the DOE reduction affect their technology development? Will the proposed reductions affect programs that would utilize our farm production?

Answer: The technology currently exists for the large scale production of fuel alcohol. The elimination of federal financial assistance will not adversely affect the continued development of the industry. High risk research and development of nonconventional feedstocks and processes will be a primary objective of the new budget.

The proposed reductions will not reduce the testing and improvement of farm scale alcohol plants.

Question: Mr. Secretary what steps have you taken since assuming office to assure that agriculture's energy supply needs are well represented national policy deliberations and actions? Have you established a liaison with the Agriculture Department? If not, do you intend to do so?

Answer. The Department of Energy under the new administration has taken steps to increase energy supply needs through the removal of impediments to production providing the tne energy needs of all segments of our economy including Agriculture. Secretary Baldridge and Secretary Edwards works closely through the cabinet process to address all matters including energy needs.

Additionally, coordination has been made with the Agriculture Department, along with other relevant Federal agencies, for the purpose of establishing emergency preparedness contact points and soliciting initial ideas on programs that might be used in conjunction with an energy emergency. Specifically, on September 17, 1980, a letter from Barton House, then Deputy Administrator of ERA, was sent to several agencies requesting this type of information. The Department of Agriculture was a respondent to this letter.

With the reorganization of DOE and the consolidation of emergency preparedness functions under a new Assistant Secretary for

Envionmental Protection, Safety and Emergency Preparedness, new efforts are now in process to coordinate the development of energy emergency programs throughout the Executive Branch. Coordination with the Agriculture Department will certainly be included in this renewed effort.

DOE intends to continue to work closely with the Department of Agriculture.

Petroleum for Agricultural Community

Question: What do you intend to do toward maintaining that viability of the rural petroleum system?

Answer: The Administration recognizes the importance of farmers' co-operatives and other small and independent refiners in the nation's agricultural system. Current policy is to rely on market forces rather than price and allocation controls for the distribution and pricing of petroleum. The Administration believes that this mechanism will result in the most efficient and effective allocation of petroleum to all users, including farmers and others in rural areas. The evidence to date indicates that rural areas are currently being served adequately and, in all probability, will continue to be served in the future. Nevertheless, the Department of Energy is monitoring the situation to ensure that no regions or groups of consumers are left unserved due to market withdrawals by refiners.

Contingency Planning for Agricultural Community

Question: What policies do you intend to develop to ensure that the rural petroleum system can continue to deliver fuel to farmers in a timely manner in future disruptions?

Answer: The Department of Energy is currently engaged in a Department-wide effort to develop a contingency strategy for responding to future oil supply disruptions. Although a number of final policy decisions have not yet been made, the disruption response strategy will emphasize market mechanisms, which the Administration believes is the most efficient way of distributing oil during supply crises, as in other periods. Although short-run dislocations may occur, the current policy judgment is that market forces can sort out the problems better and more quickly than a Government allocation system. Experience has shown that past Government allocation systems have aggravated oil supply crises.

A market-oriented disruption strategy does not mean that the government will do nothing in a crisis. Emergency supply mechanisms (such as SPR drawdown) can help to alleviate the high prices and supply problems facing crude-short refiners such as farmers' co-ops. In addition, the possibility or emergency financial assistance to hard-hit individuals, groups, and state and local government agencies is being studied.

Questions Submitted by Senator Byrd

Alternative Fuels

Question: How much has been obligated to date since the beginning of the Alternative Fuels Program?

Answer: As of March 3, 1981, $90,002,477 had been obligated for feasibility studies and $78 million for cooperative agreements from the first round of solicitations. In addition, two letter order contracts for cooperative agreements involving two alcohol fuel projects in the second round of solicitations were executed for a total of $1 million prior to the submission of the President's rescission request.

Question : How will these awards be monitored and evaluated now that the Office of Resource Applications has been abolished?

Answer: The Resource Applications staff who have been involved in the monitoring and evaluation of the alternative fuels awards have been transferred to the Office of the Assistant Secretary for Fossil Energy (ASFE). These staff members will continue to perform these duties under the direction of the ASFE.

Question : Please provide a list of all the feasibility studies grouped by awards to date and those presently under negotiation. Within these two categories, group the projects by resource type (including alcohol and urban waste) and indicate the name of the project and its sponsors; the proposed location; the technology and project scale planned; the DOE cost of the study and the industrial contribution, if any; the selection date; the award date; the projected completion date of the work funded; and, any brief comments about the project they may be appropriate.

For each resource, this table should subtotal the number of projects, the DOE costs, the industrial share. Grand totals should be provided at the end of the table.

Answer: The Department's Press Release of July 9, 1980, contains a listing of the 110, 99 for feasibility studies and 11 for cooperative agreements, projects selected for negotiations leading to an award in the first round of solicitations for feasibility studies and cooperative agreements. On November 17, 1980, four additional projects,all feasibility studies, were selected as a result of funds remaining after negotiations with most of the first round selectees.

FEASIBILITY STUDIES—ROUND ONE
AWARDS TO DATE (4-28-81)

ALCOHOL FUELS FROM BIOMASS

	REQUESTED FROM DOE	DESCRIPTION/SITE	BOE/D
Grasp, Inc. Birmingham, Alabama 35244	$1,200,000	Feasibility study of a 40 million gallon/year ethanol from corn and milo plant. Site: Talladega County, Alabama Amount Awarded: 1,200,000 — Date Awarded: 11/14/80	2,609
Arizona Grain, Inc. Casa Grande, Arizona 85222	$188,300	Feasibility study of a 12.5 million anhydrous ethanol from corn, grain and barley facility. Site: Casa Grande, Arizona $188,353 — $/11/80	815
Arkansas Grain Fuels Inc. Blytheville, Arkansas 72315	$50,400	Feasibility study of a 35 million gallon/year ethanol from milo facility. Site: Arkansas 50,400 — 7-23-80	815
Ultrasystems, Inc. Irvine, CA. 92715	$223,200	Feasibility study of 20 million gallon/year anhydrous ethanol from sugar beets, potatoes, wheat, grain using geothermal process fuel. Site: Madera, CA. 223,218 — 9/8/80	1,304
Western Concentrates, Inc. Woodland, CA. 95695	$860,000	Feasibility study of 132 million gallons/year of ethanol from corn plant. Site: Benicia, CA. $853,675 — 9/17/80	8,610

Grand American Inc. Yuma, Colorado 80759	$179,700	Feasibility study of 10 million gallons/year anhydrous ethanol from grains plant. Site: Yuma, Colorado 178,495 9/16/80	652
Methanol Research Biomark Energy Lakeland, Florida 33801	$520,500	Feasibility study of a 100 million gallon/year methanol from cellulose and wood chips Site: Lakeland, Florida 388,104 9/1/80	6,523
Cafpro Inc. Athens, Georgia 30603	$40,100	Feasibility study of a 2 million gallon/year anhydrous ethanol from corn plant. Site: Clark & Madison Counties 40,050 7-21-80	130
Nuclear Assurance Corp. Atlanta, Georgia 30329	$430,500	Feasibility study of a 25 million gallon/year ethanol from wood facility. Site: Dekalb, Georgia 426,060 9/30/80	1,630
Hilo Coast Processing Pepeekeo, Hawaii	$900,000	Feasibility study of producing 23-½ million gallons/year of ethanol from molasses. Site: Pepeekeo, Hawaii 886,350 9/14/80	1,532
Pacific Resources Inc. Honolulu, Hawaii 96816	$331,400	Feasibility study of producing liquid or gaseous fuels from cellulosic biomass. Site: TBD 329,311 9/2/80	48

Clearwater Palouse Energy Co-op Moscow, Idaho	$102,000	Feasibility study of a 20 million gallon/year ethanol from wheat and barley facility. Site: TBD 101,514 8/1/80	130
Rochelle Energy Development Rochelle, Illinois 61068	$ 25,000	Feasibility study of a 1.5 million gallon/year anhydrous ethanol from corn facility. Site: Rochelle, Ill. 25,000 7-21-80	98
Agri Answer Inc. Lynn, Indiana 47355	$653,900	Feasibility study of an ethanol plant using corn as feedstock and coal for process heat. Site: Randolph County, Indiana #628,702 9/2/80	1,369
New Energy Corp. of Indiana South Bend, Indiana 56601	$1,952,000	Feasibility study for a 50 million gallon/year anhydrous ethanol from corn plant. Site: St. Joseph, Indiana 1,769,057 8-29-80	3,261
Agri Grain Power Inc. Des Moines, Iowa 50306	$99,700	Feasibility study of producing 50 million gallon/year anhydrous ethanol from corn. Site: Des Moines, Iowa [illegible] [illegible]	3,261
Planning Design & Development, Inc. Overland Park, Kansas 66202	$335,800	Feasibility study of a 10 million gallon/year ethanol plant from local grain crops. Site: Kansas City, Kansas 303,825 7-31-80	652

American Farmers Marketing Co-op Clarksville, Tenn. 37040	$486,000	Feasibility study of a 10 million gallons/year ethanol from corn plant. Site: Mayfield, Kentucky 466,901 8-21-80	6,523
Apex Oil Company St. Louis, MO 63105	$318,300	Feasibility study of using waste heat to produce 33 million gallons/year of anhydrous ethanol from several feedstocks. Site: Caravelle, LA. 318,256 7-21-80	2,152
Independence Energy Co. New York, NY 10020	$2,060,400	Feasibility study of 20 million gallons/year of anhydrous ethanol from sugar cane sorghum, molasses and corn. Site: Thibodaux, LA 1,895,901 11/6/80	1,304
DW Small & Sons, Inc. Ellsworth, Maine 04605	$156,400	Feasibility study of a 25 million gallon/year ethanol plant using corn or cull potatoes. Site: Waldo County, Maine 156,388 7/21/80	1,630
Americol LTD Baltimore, Maryland 21234	$570,000	Feasibility study of producing 10 million gallon/year of anhydrous ethanol from local feedstocks. Site: Delmarva Penninsula, Maryland 528,475 8-4-80	978
Belcher New England, Inc. Revere, Massachusetts 02151	$893,900	Feasibility study of a 25 million gallon/year of ethanol from corn, grain, potato culls, cellulos. Site: Suffolk County, Massachusetts 851,911 7-31-80	1,630

U.S. Ethanol Industries Southfield, Michigan 48075	$597,100	Feasibility study of 40 million gallons/year of anhydrous ethanol using corn as feedstock. Site: Wixon City, Michigan 551,516 8/27/80	2,609
CRA, Inc. C/O Leland S. Watson Minneapolis, Minnesota 55402	$436,500	Feasibility study of a 24.5 millon gallon/year anhydrous ethanol from corn plant and 105 million KWH/year of electricity. Site: Rice County, Minnesota 436,480 9/22/80	9,508
Alcohol Fuels of Mississippi Vicksburg, Mississippi 39180	$150,000	Feasibility study of +1 million gallons/year of ethanol from wood chips and dust. Site: Warren, Mississippi 147,500 7-23-80	65
Missouri Farmers Association Columbia, Missouri 65201	$100,000	Feasibility study of a 5 million gallon/year anhydrous ethanol from corn facility using waste wood and cogeneration and waste wood as feedstock. Site: TBD 100,000 7-31-80	326
Infinity Oil Co., Inc. Billings, MT. 59101	$115,600	Feasibility study for a 5 million gallon year anhydrous ethanol from wheat and barley facility (retrofit of oil refinery) Site: Garfield, MT. 155,600 7-21-80	326
Nebraska Alcohol Fuels Conversion Lincoln, Nebraska 68506	$1,180,000	Feasibility study of a 50 million gallon/year ethanol from corn plant. Site: Lancaster, NE $1,130,416 9/30/80	3,261

Geothermal Food Processors, Inc. Fernley, Nevada 89409	$68,600	Feasibility study of a 5 million gallon/year anhydrous ethanol plant from corn using geothermal as process energy. Site: Brady Hot Springs, Nevada 68,561 7-22-80	326
Andco Environmental Processes Buffalo, New York 14240	$246,900	Feasibility study of a 15 million gallon/year anhydrous ethanol plant using locally available corn and coal as process fuel. Site: Kenmore, New York 246,920 8-6-80	978
Diversified Fuels, Inc. Wilson, North Carolina 27893	$183,200	Feasibility study of 30-50 million gallon/year anhydrous ethanol from corn plant. Site: Eastern North Carolina 173,810 7-21-80	2,609
Dawn Enterprises, Inc. Walhalla, North Dakota 58282	$225,200	Feasibility study of a 50 million gallon/year anhydrous ethanol from wheat and potatoes facility using lignite as process fuel. Site: North Dakota 220,167 8/26/80	3,261
Fulton Energy Corp. Tulsa, OK 74112	$622,800	Feasibility study of a 25 million gallon/year ethanol facility using milo and corn as feedstock with coal as process fuel. Site: Catoosa, Oklahoma *602,110 12/4/80	1,630
Morrow Ag Energy Corp. Boardman, Oregon 97818	$240,000	Feasibility study of a 20 million gallons/year anhydrous ethanol from corn, wheat, sugar beets, and potatoes facilities Site: Boardman, Oregon 234,864 8/8/80	1,304

Lavco, Inc. Scranton, PA 18508	$799,200	Feasibility study of a 20 million gallon/year ethanol from corn plant. Site: Luzerne Pennsylvania 796,327 7-31-80	1,304
Energy Conversion Corp. Anderson, SC 29623	$185,900	Feasibility study of 20 million gallons/year anhydrous ethanol from corn. Site: Anderson, South Carolina 162,181 7-24-80	1,304
Bodak Resources, Ltd. Plankington, SC 57368	$118,400	Facility study of a 20 million gallon/year ethanol from corn facility Site: Mitchell, South Dakota 118,392 7/31/80	1,304
Alternative Concepts of Energy Danvers, Massachusetts 01923	$95,700	Feasibility study of a 1.4 million gallon/year anhydrous ethanol plant using cheese whey as a feedstock. Site: Vermont 86,255 7-21-80	92
A. Smith Bowman Distillery Reston, Virginia 22090	$466,000	Feasibility study of a 20-40 million anhydrous ethanol from corn plant. Site: Fairfax County, Virginia 459,200 9/16/80	1,956
Omega Fuels Pasco, Washington 99301	$1,517,900	Feasibility study of producing 50 million gallons/year ethanol from corn plant. Site: Three possible sites. 1,458,159 11/4/80	3,261
Dvorak Farms Whitelaw, Wisconsin 54247	$19,800	Feasibility study of 2 million gallons/year of anhydrous alcohol from corn and livestock entrails Site: Brown and Manitowoc Counties 29,750 7-22-81	130

Wisconsin Agri Energy Corp Manitowoc, Wisconsin 54220	$76,600	Feasibility study of a 20 million gallon/year anhydrous ethanol from corn facility using coal as process fuel. Site: TBD	1,304

73 720 7-23-80

Martin Energy Corporation of Washington, D.C. for an alcohol fuels from biomass facility ($108,600) near Greensboro, N.C.:

$108,577 12/04/80

Ranchester Packing, Inc. of Jackson, Wyoming for an alcohol fuels from biomass facility ($404,800).

$377,367 1/7/81

115

$19,619,558

Cold Kist, Incorporated Decatur, Alabama 35601	$331,000	Feasibility study of utilization of plant oils like soybeans as a substitute for diesel fuel. Site: Decatur, Alabama 350 982 7-22-81	2,400
Potlatch Corporation Warren, Arkansas 71611	$322,700	Feasibility study to investigate production of low Btu gas and char from waste wood. State: Warren, Arkansas 290 467 8-5-80	800
Acruex Corporation Mt. View, California 94042	$440,261	Feasibility study of anaerobic digestion of sewer water to obtain methane. Site: Possibly Oakland, California 432 103 8-6-80	74
Ed Koppelman Encino, California 91316	$732,400	Feasibility study of converting wood waste and peat to produce wood and peat pellets Site: Maine 427,882 9-17-80	732
Pacific Gas & Electric Co.	$318,900	Feasibility study of the production of low Btu gas from manure through anaerobic digestion. Site: Imperial, California [illegible] [illegible]	360
Synergy Systems Management Corp.	$264,000	Feasibility study of gasifying wood waste to produce low Btu gas. Site: Youngstown, Ohio 252,362 7-25-80	600

American Cyanamid Sevannah, Georgia 31402	$150,300	Feasibility study of wood gasification pyrolosis to produce low Btu gas with unmarketable wood. Site: Chatam, Georgia 150,341 7-31-80	1,200
Bergen County Utilities Authority Little Ferry, NJ 07643	$78,500	Feasibility study of upgrading raw digester gas produced from sewage to yield low Btu gas. Site: Bergen County, NJ 72,945 7-25-80	82
City of New York New York, New York 10007	$380,000	Feasibility study of multiple effect evaporation of centrifuged sludge to produce pelletized fuel. Site: Manhattan 380,263 7/31/80	388
Modoc Lumber Company Klamath Falls, Oregon 97601	$406,900	Feasibility study of densification of wood biomass residue to produce a solid fuel - DBF while utilizing geothermal for process heat. Site: Kalamoth, Oregon 398,840 9/30/80	188
Pullman Swindell Pittsburgh, PA 15222	$1,782,800	Feasibility study of K-fuel technology to yield a highly volatile chardoal charcoal from wood. Site: Allegheny, Pennsylvania 1,603,480 12/01/80	186
American Rice, Inc. Houston, Texas 77001	$213,300	Feasibility study of the variability of using a fluidized bed system to gasify rice hulls to produce low BTU gas. Site: Harris, Texas 208,354 7-25-80	516

EEE Corporation Morgantown, West Virginia	$1,320,600	Feasibility study of modular fluidized bed terrestrial biomass system to produce low BTU gas. Site: TBD 1,284,757 9/9/80	1,280

13

$6,464,418

ALABAMA

SOLID WASTE

City of Huntsville Huntsville, Alabama 35804	$457,000	An 8 month feasibility study of a RDF/Low Btu gas alternative fuel production facility using a mechanical thermal process. Site: Huntsville, Alabama $452,830 7/31/80	200
City of Fort Smith Ft. Smith, Arkansas 72902	$82,900	Feasibility study of a MSW facility producing low Btu Gas with a thermal process. Waste feedstock is committed by City & local communities. Site: Ft. Smith, Arkansas 82,883 7-21-80	500
San Bernadino County San Bernadino, CA. 92418	$687,800	Feasibility study of a 2500 ton/day MSW to produce an RDF. Site: San Bernadino, CA. 633,201 9/8/80	3,500
Dept. of Env. Services Washington, D.C. 20004	$151,500	Feasibility study of recovery of pipeline quality gas from municipal solid waste using an uncontrolled biological process. Site: I-95 landfill 148,571 7-22-80	5,769
City of Tallahassee Tallahassee, Florida	$75,000	Feasibility study for a municipal solid waste facility utilizing a mechanical process to produce a refuse derived fuel. Site: Tallahassee, Florida 46,426 7/30/80	710

City of Dalton Dalton, Georgia 30720	$154,700	Feasibility study of fluidized bed gasification of 150 tons of municipal and industrial wastes producing low Btu gas. Site: Dalton, Georgia 154,665 7-21-80	250
ECO Corporation Washington, Illinois 61571	$477,220	Feasibility study of 375,000 ton/day RDF facility using a mechanical process. Site: Peoria, Tazewell & Woodford Counties 442,563 8/29/80	1,730
The Regents of the University of Michigan Ann Arbor, Michigan 48109	$195,000	Feasibility study of an RDF for energy consumption at the University of Michigan from waste of the city of Ann Arbor. Site: Ann Arbor, Michigan 195,837 7-25-80	3,000
Norton Construction Company Cleveland, Ohio 44125	$85,796	Feasibility study for 13 months of a landfill gas utilization facility producing pipeline gas with uncontrolled biological process. Site: Cleveland, Ohio 85,796 7-24-80	230
Youngstown Thermal Corp. Youngstown, Ohio 44501	$194,000	Feasibility study to retrofit existing MSW facility to cofire municipal solid waste with high sulfur Ohio coal to produce an RDF mechanically. 187,327 7-21-80	500
EMCON Associates San Jose, CA 95112	$ 69,294	A municipal solid waste 9 month feasibility study which will study use of landfill gas by using an uncontrolled biological process to produce methane gas. Site: Clackamas County, Oregon 67,129 7-21-80	1,800

Metropolitan Service District Portland, Oregon 97201	$ 95,000	Feasibility study of a municipal solid waste facility producing pipeline gas through an uncontrolled biological process. Site: Portland, Oregon 94,302 7/25/80	400
Dayco Corporation Dayton, OH 45401	$ 55,000	A feasibility study for a commercial/industrial waste facility that produce low Btu gas through a thermal process. Site: Waterboro, South Carolina 55,000 7-18-80	150
Raytheon Service Co. Burlington, MA 08103	$338,100	A feasibility study of an RDF facility using shredded and magnetically separated municipal refuse to supplement high sulfur coal. Site: Charleston, South Carolina 338,111 8/27/80	600
Nashvile Electric Service	$1,500,000	Facility study of a municipal solid waste facility with an incut of 1500 tons per day using a mechanical/thermal process. Site: Nashville, Tennessee 1,500,000 8-12-80	2,500
15		$4,476,341	

Cook Inlet Region Anchorage, Alaska 99509	$3,900,000	Feasibility study of producing 54,000 barrels per day of methanol from low sulfur coal using Winkler gasifier and ICI methanol synthesis. Site: West side of Cook Inlet, Alaska 3 815 341 8-28-80	22,900
W.R. Grace Denver, Colorado 80223	$786,477	Stage III of a feasibility study of a coal sourced methanol plant using a Koppers/Totzek Gasifier. Site: Moffat County, NW Colorado 764714 4-7-80	14,000
Transco Energy Co. Houston, Texas	$3,778,267	Eighteen month feasibility of 2000 BPD (or larger) module of a 50,000 BPD plant. Site: Lewis County, Kentucky OFFSHOR DECLINED GRANT ~~3760214~~	50,000
Houston Natural Gas/Texaco Houston, Texas 77001	$3,260,000	Fourteen month feasibility study of producing fuel grade methanol from coal using Ziegler coal deposits. Site: Covent, Louisiana 3 264,60 8-7-80	11,400
AMAX, Inc. Greenwich, Connecticut	$2,190,000	Feasibility study of a coal to methanol plant producing 14,910 barrels per day using Koppers or Lurgi Gasifiers. Site: Diluth, Minnesota PROPOSAL WITHDRAWN	6,800
Nakota Company (coal?) Bismark, North Dakota 58501	$4,000,000	Feasibility study for constructing an 85,000 barrel/day coal to methanol plant using Lurgi gasifier and Lurgi methanol synthesis. Site: Dunn, North Dakota 3,998,153 12/8/80	40,000

Hampshire Energy Milwaukee, Wisconsin 53211	$4,000,000	Ten-month feasibility study of converting 15,000 tons of coal/day to 20,000 barrels/day of gasoline. Site: Gillette, Wyoming $3,912,140 1/10/81	18,000

The Celanese Corporation of Dallas, Texas ~~was also selected but its proposal involves no money~~; none was ~~requested, but the proposal was submitted for purposes of evaluation by DOE.~~ The Celanese study is for a coal liquids plant southwest of Houston.

No cost proposal 12/23/80

3-2=6

$15,839,348

Florida Power St. Petersburg, Florida 33733	$1,380,796	Twelve month feasibility study of Medium Btu Gas Combined Cycle Site: Pinellas County, Florida 1,375,413 9-2780	7,458
Clark Oil & Refining Milwaukee, Wisconsin 53227	$4,000,000	Feasibility study of producing synthesis gas from coal, steam, oxygen & methanol from synthesis gas using a KT Gasifier, ICI & the Mobil M Process. Site: S. Illinois 3,874,164 8/20/80	11,600
General Refractories Bala Cynwyd, PA. 19004	$922,555	Nine month feasibility study of Low Btu Industrial Fuel Gas. Site: Florence, Kentucky	1,034
Central Maine Power Augusta, Maine 04336	$3,624,558	882.405 9-20-83 Fifteen month fesibility study of combined cycle, medium Btu gas at Sears Island, ME. (Process: Texaco Gasifier) Site: Waldo County, Maine 3,560,773 9/1/81	14,138
EG&G Wesley, Massachusetts 02181	$4,000,000	Feasibility study for a medium Btu gasification facility producing combined cycle power and methanol. Choice or process technologies between Koppers-Totzek or Slagging Lurgi. Site: Fall River, Massachusetts #3,897,561 9/23/80	28,500

Crow Tribe of Indians Washington, D.C. 20036	$2,729,393	Nine month feasibility study, High Btu Gas (Lurgi Process - SNG) at Crow Reservation, MT. Site: East of Billings, MT. 2,718,600 1/24/81	22,000
Philadelphia Gas Works Philadelphia, PA 19102	$1,168,108	Twelve month feasibility study of medium Btu gas (Process: TRW) Site: Philadelphia, Pennsylvania 1,168,108 8-6-80	3,448
Celanese Corp Dallas, Texas 75247	No cost	Feasibility study to determine the technical and economic viability of developing a carbon monixide and hydrogen syngas from either a high Btu coal or a Texas lignite. Site: Near Bishop, Texas (NO COST) 12/31/80	10,000
Transco Energy Houston, Texas 77001	$1,874,005	Eight-month feasibility study of medium BTU gas. Site: Calvert, Robertson County, Texas 1,874,365 3/9/81	21,550
Union Carbide/Linde Division Tonawanda, New York 14150	$3,945,676	Eighteen-month feasibility study of Low/Medium BTU Gas. Site: Texas City, Houston, Texas 3,885,713 9/25/80	21,550

for a coal gasification facility Arkansas Power and Light ($3,386,600) at Redfield, Arkansas.

#3,386,600 1/19/81

11

$26,717,782

OIL SHALE

Cary Energy Corp. Fruita, Colorado 81521	$3,009,399	Feasibility study for upgrading crude oil shale to gasoline jet fuels, DFO and residual using UOP hydro-processing & hydro-cracking. Site: Fruita, Colorado $2,401,228 2/2/81	10,000
Union Oil Energy Mining Los Angeles, CA 90017	$4,000,000	Feasibility study for operation of a 10,000 BPD upgrading plant producing premium quality syncrude. Site: Grand Valley, Colorado PROPOSAL WITHDRAWN	10,000
Geokinetics Vernal, Utah	$1,904,339	Eighteen-month feasibility study of a 2000 to 7800 BPD facility utilizing a surface retort process. Site: Uintah County, Utah $1,874,910 9/30/80	2,000-7,800
Paraho Development Corp. Grand Junction, Colorado 81501	$3,131,064	Twelve-month feasibility study of a 30,000 BPD surface retort. Site: Uintah County, Utah 3,111,809 9/30/80	30,000

4 - 1 = 3

$7,458,847

PEAT

Minnesota Gas Co. Minneapolis, Minnesota 55402	$3,996,554	Nineteen month feasibility study for the production of high Btu substitute natural gas from peat. Site: Minnesota 3,662,448 9/30/80	13,000
1		$3,662,448	

LIGNITE

Republic of Texas Coal Co. and Mitchell Energy Corp. Houston, Texas 77002	$808,781	Feasibility study of gasification, in-situ deep Texas lignite and conversion of remaining medium BTU synthesis gas to methanol and high octane gasoline. Site: Somewhere in Texas Gulf Coast. 803752 8/20/80	1,440
1		$803,752	

TAR SANDS

Natomas Energy Co. San Francisco, California 94108	$357,511	Eight-month feasibility study of extracting 20,000 barrels/day of oil from domestic tar sands - Bitumen. Site: Site may be in Utah or California. 363,594 10/30/80	20,000
Standard Oil of Indiana Chicago, Illinois 60601	$0	Feasibility study of a 50,000 barrel/day Tar Sand Bitumen facility. Site: Sunnyside, Utah (NO COST) 12/02/80	2,000
2		$363,594	

UNCONVENTIONAL NATURAL GAS

Mountain Fuel Supply Co. Salt Lake City, Utah 84139	$1,810,762	Two-year feasibility study of unconventional natural gas in the Pinedale field. Product is natural gas and condensate. Site: Sublette County, Wyoming #1,810,762 9/24/80	2,120
Seneca Indian Nation Salamanca, New York 14779.	$896,638	Feasibility study of the recovery of natural gas from Devonian Shales - vertical wells. Methane from Devonian Shale. Site: Salamanca, New York 864,001 7-21-80	34

2

#2,674,763

FEASIBILITY STUDIES—ROUND ONE
IN NEGOTIATION (4-28-81)

Texas Eastern Synfuels, Inc. Houston, Texas 77001	$3,018,000	Nine month feasibility study, High Btu Gas (Lurgi Process - SNG, Methanol) at San Juan County, New Mexico Site: East of Navajo Indian Reservation	43,000

Amount Awarded — IN NEGOTIATION —

Date Awarded

Alternative Fuels

Question: Provide the same information for cooperative agreements, loan guarantees, purchase commitments, etc. Where applicable, indicate when Defense Production Act funding is being used.

Answer: Starting first with the Defense Production Act (DPA) solicitation, 10 proposals were received by the November 14, 1980, closing date for the solicitation. On January 13 of this year, the Department selected three firms for negotiations leading to an award. These projects were two oil shale projects in Colorado sponsored by Union Oil Company and the Oil Shale Corporation and one coal to gasoline conversion project in Tennessee sponsored by Tennessee Synfuels Associates. The total funding available for these projects was $3 billion in loan guarantees, price guarantees, and purchase commitments. Negotiations and discussions with these three firms have been conducted since that time and on April 17 the Department announced its determination that the Tennessee Synfuels Associates project was not presently at a stage of sufficient maturity to warrant consideration for financial assistance under the DPA solicitation. The Department has continued negotiations with Union Oil Company and the Oil Shale Corporation and it is hoped that these negotiations will culminate in the issuance of a commitment document by the end of June 1981. The dollar value of the awards will be announced as soon as the conditional commitment(s) are announced.

The Federal Nonnuclear Research and Development Act (NNA) solicitation closed on November 14, and 15 proposals were received for evaluation. Five of these proposals failed to meet the basic evaluation criteria and the remaining 10 proposals are in the final stages of the Department's evaluation The total funding available for these projects is $2 billion in financial support. The dollar value of these proposals by awardee will be published once conditional commitments are executed.

In addition to these 10 projects, the Great Plains Coal Gasification Project in North Dakota has been a special set aside under the NNA and received a $1.5 billion conditional loan guarantee commitment on November 19, 1980. The project will produce 125 million cubic feet of synthetic gas per day from lignite coal located in the area of Beulah, North Dakota. The project is sponsored by a consortium led by subsidiaries of the American Natural Resource Company of Detroit and Peoples Energy Corporation of Chicago.

SUMMARY OF PROPOSALS SUBMITTED TO DOE PURSUANT
TO THE AUTHORITIES OF THE DEFENSE PRODUCTION AND NON-NUCLEAR ACTS

Proposer	Participants and/or Contractors	Site	Process & Products	BOED	Projected Commercial Start	Authority/ Incentives
Synthetic Fuel: Shale Oil						
1. Union Oil of California	Not provided in Public Summary	Parachute Creek Garfield Co., Colorado	Union upward flow retort-synthetic crude oil, jet aircraft fuel and diesel fuel	10,000 . . . 1983 50,000 . . . 1987		DPA/Purchase Commitments with Advance Payments
2. Paraho Development Corporation*	Davy McKee Corp. Cleveland Cliffs Iron Co. VTN Consolidated, Inc. AeroVironmental, Inc.	Southeast of Vernal, Uintah Co., Utah	Hydro treating - turbine fuel, gasoline, diesel fuel	10,000 . . . 1984 30,000 . . . 1986		NNA Purchase Commitments
3. The Oil Shale Corp., (TOSCO)*	Exxon (not applying for assistance) C.F. Braun & Company	North of Parachute Garfield Co., Colorado	Tosco II surface retort shale oil, jet fuel, diesel fuel, gasoline	49,300 . . . mid 1980's		NNA and DPA/Loan Guarantee
4. Cathedral Bluffs Shale Oil Co.	Occidental Oil Shale, Inc. Tenneco Oil Shale, Inc.	C-b Tract Rio Blanco Co., Colorado	VMIS/Surface Retort-shale oil	55,000 . . . 1988 94,000 . . . 1990		NNA/not provided in Public Summary
Synthetic Fuel: Tar Sands						
1. Great National Corp.	Energy Resources Co. Morrison-Knudson	Synnyside, Utah	Process not provided in Public Summary - syncrude	10,000 . . . 1986		NNA/not provided in Public Summary
2. Westken Petroleum Corp.	Not provided in Public Summary	Near Brownsville, Edmondson Co., Kentucky	Process not provided in Public Summary - syncrude	12,000		NNA/not provided in Public Summary

* One proposal submitted under each authority

SUMMARY OF PROPOSALS SUBMITTED TO DOE PURSUANT
TO THE AUTHORITIES OF THE DEFENSE PRODUCTION AND NON-NUCLEAR ACTS

Proposer	Participants and/or Contractors	Site	Process & Products	BOED	Projected Commercial Start	Authority/ Incentives
Synthetic Fuel: Peat						
1. Energy Transition	Methanol Production Partners	Creswell, North Carolina	Process not provided in Public Summary - methanol	17,000	1984	NNA/not provided in Public Summary
Synthetic Fuel: Coal Oil Mixtures						
1. Banklick Corp. & R.C. Durr Co., Inc.	Not provided in Public Summary	Jacksonville, Florida	Coal-Oil Mixture	5,300	Not provided in Public Summary	NNA/not provided in Public Summary
2. CoaLiquid, Inc.	Not provided in Public Summary	Shelbyville, Kentucky	Coal-Oil Mixture	3,400	Not provided in Public Summary	NNA/Purchase Commitments, Price Guarantees
Synthetic Fuel: High Btu Coal Gasification						
1. WyCoalGas, Inc.	Rochelle Coal Company	Douglas, Wyoming	Lurgi, Texaco - High Btu Gas	25,000 50,000	1986 1988	NNA/Loan Guarantees
Synthetic Fuel: Other						
1. Fusion Energies Corporation	Not provided in Public Summary	Hampshire, Illinois	Electrolysis - Synthesis Gas	25	Not provided in Public Summary	NNA/Loan Guarantees in Public Summary

Key: NNA - Federal Non-Nuclear Energy Research and Development Act (Public Law 93-577)
DPA - Title I, Part A of the Energy Security Act (Public Law 96-294)
BOED - Barrels of Oil Equivalent Per Day

PROPOSED COOPERATIVE AGREEMENTS -- CONTRACTED

STATE/TECHNOLOGY	DESCRIPTION/SITE
Kentucky/Biomass Requested from DOE* $9.8 million Received from DOE: $9.8 million	James R. Wade A newly formed Kentucky firm proposes a cooperative agreement to advance commercialization of a 21 million gallon/year plant to be located in Franklin, Kentucky. The corn feedstock is to be purchased locally and the process energy source is locally available coal. An excellent site has been optioned adjacent to a railroad and the necessary permits have been identified. The cooperative agreement includes final design, engineering and construction costs sufficient to complete approximately 25 percent of the project. DOE participation will advance commercialization by 6-12 months.
Ohio/Biomass Requested from DOE* $25 million Received from DOE: $24.5 million	Publicker Industries, Inc. A joint venture between Ashland Oil Company and Publicker Industries in Ohio proposes a cooperative agreement to advance commercialization of a 60 million gallon/year plant to be located in South Point, Ohio. The corn feedstock, although produced locally, will have to be imported and the coal energy source will be imported from Ohio, Kentucky, and Virginia. An excellent site with some existing facilities, including six boilers, has been purchased. The cooperative agreement includes final design, construction and start-up.
North Carolina/Biomass Requested from DOE* $950,000 Received from DOE: $.960 million	Collins and Aikman Corporation This project will install a wood pellet/chip gasifier in the Collins and Aikman plant at Roxboro, North Carolina. The low-Btu gas produced will be burned in the plant's existing natural gas fired boilers. If successful, the company will replicate the system at two other plants. The project will result in the production of 500 barrels of oil equivalent per day.

STATE/TECHNOLOGY	DESCRIPTION/SITE
California/Solid Waste Requested from DOE* $1,869,000 Received from DOE: $1,869,000	Southwest Portland Cement Company Southwest Portland Cement Company intends to use medium Btu gas from a sanitary landfill as a fuel for use in powering internal combustion engines to drive generators for electricity production. Technology has already been proven at site, where currently 500,000 cubic feet of gas is collected and sold to a chemical company for use as a boiler fuel. A reciprocating engine is currently used on site to drive a compressor. Project will result in a four-fold increase in fuel production and use from the land fill. Sites are Azuza, California and Los Angeles, California.
Michigan/Solid Waste Requested from DOE* $4 million Received from DOE: $3.967 million	Levy Reclaform Company Coke is the primary fuel for blast furnaces. In the production of coke, certain finer sizes are generated which are screened out of the coke used in the blast furnace. The screened fines are called coke breeze and cannot be used as blast furnace fuel unless they can be agglomerated into a larger size. This project intends to use the Reclaform process to agglomerate coke breeze, an industrial solid waste, into briquet form which can be used as an alternative blast furnace fuel. Site is River Rouge, Michigan.
Puerto Rico/Solid Waste Requested from DOE* $545,800 Received from DOE: $537,800	Caguas, Puerto Rico This is a proposal for DOE support to bring a Municipal Solid Waste (MSW) project to the point where the municipality can finance construction costs. The project consists of a low-Btu MSW gasifier which in turn will produce energy for electricity production.

STATE/TECHNOLOGY	DESCRIPTION/SITE
North Dakota/High Btu Coal Gasification Requested from DOE* $22 million Received from DOE: $22 million	Great Plains Gasification Associates The project will employ a Lurgi pressurized, fixed bed gasification process with Lurgi methanization requiring 14,000 tons/day of lignite coal to produce 137.5 mmCF/day of synthetic gas, 93 tons of ammonia/day and 85 tons/day of sulfur. The facility will be sited in the Beulah Hazen area of Mercer County, North Dakota and has a total capital requirement of $1.5 billion. A cooperative agreement was executed with Great Plains Gasification Associates as a "set aside" pursuant to Public Law 96-126.
Wyoming/High Btu Coal Gasification Requested from DOE* $13,155,000 Received from DOE: $12,960,000	Wycoal Gas, Inc. Wycoal Gas, Inc., plans to construct a facility using Lurgi and Texaco gasification units to process 16,000 tons of sub-bituminous coal daily to produce 150 mmSCF of High Btu gas. All liquid by-products will also be gasified. The facility is to be located in Douglas, Wyoming. The Statement of work proposed will involve developing a definitive basis for plant design estimating costs, securing permits and approvals, obtaining financing and identifying long-lead delivery items. There is a market for the SNG via a pipeline system to the Midwest owned by the participants. The full-size plant will be designed to produce 300 mSCF/day of SNG. The project would produce the equivalent of 51,000 barrels of oil per day.

STATE/TECHNOLOGY	DESCRIPTION/SITE
Kentucky/Coal Liquids Requested from DOE* $24.3 million Received from DOE: $22.43 million	**Texas Eastern Synfuels** Texas Eastern Synfuels proposes to construct a coal liquefaction facility which will produce the equivalent of 56,000 barrels of oil per day. Texas Eastern Synfuels is a joint venture of Texas Eastern Corporation, and Texas Gas Transmission Corporation. Proposed Project is a Fischer Tropsch plant--like the SASOL facility in South Africa--that would convert approximately 28,000 tons per day of coal into a mixture of transportation fuels, Synthetic Natural Gas (SNG), and chemicals. Approximately 44 percent of the output is SNG (145 mmSCF/D); about 30 percent transportation fuel, and the rest chemicals. Site is near Henderson, Kentucky.
Florida/Solid-Liquid Mixtures Requested from DOE* $989,500 Received from DOE: $975,500	**Banklick Corporation** Banklick Corporation proposes to design and construct a Coal Mining Mixture (COM) preparation plant on a site on Blount Island, Florida owned by the Jacksonville Port Authority and to market the products. In this proposal, the approach is to first grind the coal, then mix it with oil and pulverize the result, and, finally, to mix the product more thoroughly using ultrasonic agitators. A COM prep plant is relatively simple and, in addition to the above equipment, consists of coal storage and handling equipment (including a coal pile), oil and COM piping and storage hardware, and associated hardware. Coal would be delivered by rail. The project will produce 6,000 barrels per day.
Alabama/Unconventional Natural Gas Requested from DOE* $600,000 WITHDRAWN	**U.S. Steel Corporation** U.S. Steel Corporation proposes to build a collection and compression system to capture methane from a mine pre-drainage program. The gas, currently being vented, will be injected into an interstate pipeline system for sale. The project will produce the equivalent of 200 barrels of oil per day. Site is Oak Grove, Alabama.

Alternative Fuels

Question: Please summarize by resource the number of projects and total awards actually made as of March 31, 1981, and the number of projects and total funding presently under negotiation.

Answer: By March 31, 1981, the awards had been made in the following areas:

Feasibility Studies	Number of Projects	Total Awards ($000)
Coal Liquids	6	$ 15,840
Coal Gasification	11	26,714
Oil Shale	3	7,459
Tar Sands	2	364
Unconventional Gas.	2	6,675
Solid Waste	15	4,477
Peat	1	3,662
Biomass (Alcohol)	45	19,620
Biomass (Other)	13	6,464
Lignite	2	364
	100	91,639
Cooperative Agreements		
Coal Liquids	1	22,430
High Btu Gasification	2	34,960
Solid Waste	3	6,374
Biomass (Alcohol)	3	35,260
Solid Liquid Mixtures	1	976
	10	100,000

Details of the projects are attached.

As of the March 31 date one project with a funding proposal of $3 million was still in negotiation under the solicitation for feasibility studies and cooperative agreements. Under the Defense Production Act (DPA), two proposals are currently in the negotiation process.

One proposal is from the Union Oil Company project in Garfield County, Colorado. This project will produce 50,000 barrels per day of jet aircraft and diesel fuel from oil shale using an upward flow retort-synthetic crude oil process. The application requests purchase commitments with advance payments. The second proposal is from the Oil Shale Corporation, a subsidiary of TOSCO Corporation. The proposed project is in Garfield County, Colorado, and would produce 50,000 barrels per day of jet fuel, diesel, and gasoline from oil shale using a surface retort system developed by TOSCO called TOSCOII. The sponsors of the project are EXXON and C. F. Brown & Company. While EXXON is not requesting Federal financial assistance, C. F. Brown is requesting a loan guarantee of an amount not specified in the public summary provided by the applicant. Defense Production Act availability totals $3 billion. The negotiations with these two firms are proceeding and it is hoped that one or more conditional loan guarantees can be issued by early summer.

Proposals under the Federal Non-Nuclear Research and Development Act (NNA), which provides an additional $2 billion in financial support, are in evaluation. In addition to the 10 projects in evaluation under the NNA, the Great Plains Coal Gasification Project in North Dakota is a special set aside with a $1.5 billion conditional loan guarantee.

Question: Also, please summarize the same information in the previous question by State (rather than by resource).

Answer: A summary of feasibility studies and cooperative agreements awarded by March 31, 1981, as well as those still in negotiation under DPA and NNA is attached.

SUMMARY OF PROPOSALS SUBMITTED TO DOE PURSUANT
TO THE AUTHORITIES OF THE DEFENSE PRODUCTION AND NON-NUCLEAR ACTS
BY STATE

Proposer	Participants and/or Contractors	Site	Process & Products	BOED	Projected Commercial Start	Authority/ Incentives	Synthetic Fuel
Colorado							
1. Union Oil of California	Not provided in Public Summary	Parachute Creek Garfield Co., Colorado	Union upward flow retort-synthetic crude oil, jet aircraft fuel and diesel fuel	10,000 . . . 50,000 . . .	1983 1987	DPA/Purchase Commitments with Advance Payments	Oil Shale
2. The Oil Shale Corp., (TOSCO)*	Exxon (not applying for assistance) C.F. Braun & Company	North of Parachute Garfield Co., Colorado	Tosco II surface retort shale oil, jet fuel, diesel fuel, gasoline	49,300 . . .	mid 1980's	NNA and DPA/Loan Guarantee	Oil Shale
3. Cathedral Bluffs Shale Oil Co.	Occidental Oil Shale, Inc. Tenneco Oil Shale, Inc.	C-b Tract Rio Blanco Co., Colorado	VMIS/Surface Retort - shale oil	55,000 . . . 94,000 . . .	1988 1990	NNA/not provided in Public Summary	Oil Shale
Florida							
1. Ranklick Corp. & R.C. Durr Co., Inc.	Not provided in Public Summary	Jacksonville, Florida	Coal-Oil Mixture	5,300 . . .	Not provided in Public Summary	NNA/not provided in Public Summary	Coal Oil Mixture
Illinois							
1. Fusion Energies Corporation	Not provided in Public Summary	Hampshire, Illinois	Electrolysis - Synthesis Gas	25 . . .	Not provided in Public Summary	NNA/Loan Guarantees in Public Summary	Gasification

* One proposal submitted under each authority

SUMMARY OF PROPOSALS SUBMITTED TO DOE PURSUANT
TO THE AUTHORITIES OF THE DEFENSE PRODUCTION AND NON-NUCLEAR ACTS
BY STATE

Proposer	Participants and/or Contractors	Site	Process & Products	BOED	Projected Commercial Start	Authority/ Incentives	Synthetic Fuel
Kentucky							
1. CoaLiquid, Inc.	Not provided in Public Summary	Shelbyville, Kentucky	Coal-Oil Mixture	3,600	Not provided in Public Summary	NNA/Purchase Commitments, Price Guarantees	Coal Oil Mixture
2. Westkan Petroleum Corp.	Not provided in Public Summary	Near Brownsville, Edmondson Co., Kentucky	Process not provided in Public Summary - syncrude	12,000	Not provided in Public Summary	NNA/not provided in Public Summary	Tar Sands
North Carolina							
1. Energy Transition	Methanol Production Partners	Creswell, North Carolina	Process not provided in Public Summary - methanol	17,000	1984	NNA/not provided in Public Summary	Peat
Utah							
1. Great National Corp.	Energy Resources Co. Morrison-Knudson	Sunnyside, Utah	Process not provided in Public Summary - syncrude	10,000	1986	NNA/not provided in Public Summary	Tar Sands
2. Paraho Development Corporation*	Davy McKee Corp. Cleveland Cliffs Iron Co. VTN Consolidated, Inc. AeroVironmental, Inc.	Southeast of Vernal, Uintah Co., Utah	Hydro treating - turbine fuel, gasoline, diesel fuel	10,000 30,000	1984 1986	NNA Purchase Commitments	Oil Shale
Wyoming							
1. WyCoalGas, Inc.	Rochelle Coal Company	Douglas, Wyoming	Lurgi, Texaco - High Btu Gas	25,000 50,000	1986 1988	NNA/Loan Guarantees	High Btu Gasification

* One proposal submitted under each authority

Key: NNA - Federal Non-Nuclear Energy Research and Development Act (Public Law 93-577)
DPA - Title I, Part A of the Energy Security Act (Public Law 96-294)
BOED - Barrels of Oil Equivalent Per Day

Alternative Fuels

Question: How much of the funding to date and how many projects are associated with the conversion of eastern coals? How many projects and approximately how many dollars presently under negotiation are related to eastern coal conversion?

Answer: Approximately $49.4 million in DOE funding has been extended to 10 projects involving the conversion of eastern coals. The attached table, Round 1: PL 96-126, presents the individual projects, locations, and coals to be used, if known. Eleven projects had been selected under the second round of feasibility studies and cooperative agreements, under PL 96-304. These projects, involving approximately $32.5 million in DOE funding, have not been funded. The table headed Round 2: PL 96-304, presents the individual projects selected under Round 2 and gives the proposed locations and coals, if known.

Round 1: PL 96-126. Already funded.

PROPOSER	APPLICATION	DOE FUNDS	PLANT SITE	BOE/DAY	GASIFIER	COAL TYPE
Arkansas P&L *	Combined cycle power (repowering) (MBG)	3,688,000	Redfield, AR	20,690	Texaco	IL #6 bituminous
Central Maine *	Combined cycle power (new) (MBG)	3,624,558	Sears Island, Maine	14,138	Texaco	Eastern U.S. bituminous
Florida Power *	Combined cycle power (repowering) (MBG)	1,380,796	Pinellas Co., Florida	7,458	BGC/Lurgi	KY or IN bituminous
General Refractories *	LBG fuel to kiln for Pearlite Mfg.	922,555	Florence, KY	1,034	Wellman-Galusha	W. Kentucky bituminous
Union Carbide *	MBG & H_2 for fuel and feedstock	4,945,676	Texas City, TX	21,550	Texaco	IL #6 bituminous
Philadelphia Gas *	MBG - fuel gas	1,168,108	Philadelphia, PA	3,448	TBD	Eastern bituminous
Clark Oil *	Gasoline	4.0	Southern, IL	11,600	Koppers	IL #6
Houston Natural Gas/Texaco *	Methanol	3.3	Convent, LA	11,400	Texaco	IL #6
Tri-State Synfuels (Co-op)*	SNG, liquid transportation fuels, chemicals	22,430	Hendersan City, KY	56,000	Lurgi	IL Basin
ECSE*	Methanol, MBG (combined cycle)	4.0	Fall River, MA	8,100	K-T, Texaco or Shell	Appalachian bituminous

SUMMARY:

10 Projects $49.4 million

Round 2: PL 96-304. Selected for award, but not yet funded.

Massachusetts Munic. **	Power refueling	2,680K	Ludlow, MA	17,000	Texaco	TBD
Midrex **	Fuel gas for iron reduction & power	816K	Georgetown, SC	4,310	Texaco	E. bituminous
Mobay **	Process steam and feedstock	1,063K	New Martinsville WV	3400-3700	Koppers-Totzek	WV bituminous
Philadelphia Gas (P.L. 96-304) **	Chemical feedstock (methanol)	3,283K	Philadelphia, PA	6,120	Koppers-Totzek	WV, PA bituminous
Westinghouse **	Process fuel and steam	1,934K	Fairmont, WV	2,560	Westinghouse	WV bituminous
Ohio Valley Synfuels **	High-Btu Gas	$3,875,693	Mason Co., W.VA.	86,200	Texaco & Slagging Lurgi	PA Bituminous
Westinghouse Electric **	Methanol	4.8	Beaverdale, PA	50,000	Westinghouse	Pennsylvania bituminous
Koppers **	Gasoline	5.8	Oak Ridge, TN	10,000	Koppers	E. bituminous
ITBT **	Gasoline, LPG	3.7	Nitro, WV	9,700	Koppers	WV bituminous
Wheelabrator Cleanfuel Corp (Feasibility Study) **	Peat derived solid fuel	3.5	Maine	18,900	Wet Carbonization	Maine Peat
Penco, Inc. ** Cooperative Agreement	Expanded Peat Production	1.0	Jonesport Bog, Maine	2,500	Sod Harvesting	Maine Peat

SUMMARY:

11 Projects $32.5 million

Alternative Fuels

Question: Last year Senator Hatfield and I went to great lengths to convince the Department to use a portion of the Alternative Fuels funding for innovative direct combustion technologies. $30 million was finally set aside in the First Continuing Resolution for 1981. What is the status of that funding?

Answer: The $30 million for innovative direct combustion feasibility studies and cooperative agreements is included in the rescission proposal submitted by the President to Congress on March 17, 1981.

DOE - SFC Relationship

Question: What specific actions are the Department and the Corporation taking to ensure a smooth transition where appropriate for projects from the Department to the Corporation?

Answer: The Department and the Corporation have been and are continuing to cooperate closely in the evaluation and negotiation of proposals submitted in response to the solicitations issued pursuant to the Federal Nonnuclear Research and Development Act (NNA) and the Defense Production Act (DPA). For the DPA effort, the Corporation has personnel participating directly with the Department in the negotiations process. Prior to their participation, the Corporation submitted the names of their personnel to be involved, and the Department conducted a check to ensure no conflict-of-interests existed. For the NNA proposal evaluations now proceeding, a similar check was performed and the Corporation personnel cleared have been sitting in on the final stages of these evaluations. For both the DPA and NNA, these Corporation personnel have been provided access to both the proposals as well as the Department's evaluation records on the proposals.

Question: What kinds of mechanisms have been established to share information gained by DOE on certain of these proposals with the Synthetic Fuels Corporation?

Answer: The Department has provided the Corporation personnel who have been cleared with access to both the proposals submitted under the NNA and DPA as well as the Department's evaluation records on the proposals. In addition, with respect to the awards made under the first round of feasibility studies and cooperative agreements, the Department will be providing the Corporation with periodic status reports on these projects.

Question: Will the results of these studies and designs be transferred to the Corporation along with formal recommendations of the Department?

Answer: The Department does not anticipate sending formal recommendations along with them. Any analyses we may have performed, however, will certainly be provided to the Corporation should it request them. The Department is providing information regarding the design, background, and status of those technologies specifically requested by the Corporation. However, formal recommendations will not be made to the SFC since the decision of future commercialization is a matter between SFC and the private sector.

Question: Will any DOE officials participate in the formal project review and selection process of the Corporation?

Answer: At this time, the Department of Energy has not been requested to participate in any formal project reviews or selection processes by the Corporation. However, if the SFC requests this type participation of the Department, it will be honored under the terms and conditions of the Energy Security Act relative to support to the Corporation. At the current time, several DOE employees are providing technical assistance to the SFC on a reimbursable basis.

Question: Do you anticipate that any DOE employees will provide technical assistance to the Corporation; and if so, how many staff years might this assistance amount to in fiscal 1981 and 1982? Will the Corporation reimburse the Department for any such assistance?

Answer: Yes, we do. In fact, two Department employees are now detailed to the Corporation, on a reimbursible basis, at its request to provide assistance. We do not have any estimates at this time of how many staff years this assistance might subsequently amount to. This will be dependent on what the Corporation might ask us to provide. However, any technical assistance that is provided will be in accordance with Section 172 of the Energy Security Act and other applicable law.

ECONOMIC REGULATORY ADMINISTRATION

STATEMENT OF BARTON R. HOUSE, ACTING ADMINISTRATOR, ECONOMIC REGULATORY ADMINISTRATION

ACCOMPANIED BY:

GEORGE B. BREZNAY, DIRECTOR, OFFICE OF HEARINGS AND APPEALS
ROBERT L. DAVIES, ASSISTANT ADMINISTRATOR FOR FUELS CONVERSION
AVROM LANDESMAN, DEPUTY SPECIAL COUNSEL FOR COMPLIANCE
T. WENDELL BUTLER, ACTING ASSISTANT ADMINISTRATOR FOR PETROLEUM OPERATIONS
GORDON W. HARVEY, ASSISTANT ADMINISTRATOR FOR ENFORCEMENT

BUDGET REQUEST

Senator MCCLURE. We will next hear from the Economic Regulatory Administration, Mr. Barton R. House, Acting Administrator, and George Breznay, Director of the Office of Hearings and Appeals, and others.

You will please take your places.

Mr. HOUSE. Thank you.

Senator MCCLURE. We will now turn to the Economic Regulatory Administration and the Office of Hearings and Appeals. Because of recent reorganization of the Department of Energy, ERA no longer includes gas rationing and emergency preparedness. Accordingly, these topics will not be explored in depth today but will rather be a part of this committee's April 9 hearing.

The fiscal year 1982 request for the ERA, excluding OHA, is $24 million, a decrease of $102.2 million or 81 percent from the fiscal year 1981 estimated budget authority. OHA's request of $4.5 million is likewise a decrease of some $3.422 million from the fiscal year 1981 funding level. These fiscal year 1981 figures do not include a combined October 1980 pay raise of some $6.012 million which is being netted against a proposed reduction of the 1981 appropriation for gasoline rationing.

Mr. House, please proceed to introduce the people with you this morning.

PREPARED STATEMENT

Mr. HOUSE. Thank you. I would like to enter my statement into the record at this point and highlight it.

Senator MCCLURE. Please do.

[The information follows:]

STATEMENT OF BARTON R. HOUSE

I appreciate the opportunity to testify on the FY 1982 budget request of the Economic Regulatory Administration and discuss the specific programs included therein. Our budget request is for $24 million, a decrease of $102.3 from the FY 1981 level, or an 81 percent reduction. This significant reduction is due to several factors:

- o the President's positive action to decontrol oil;
- o the need to bring a runaway federal budget under control; and
- o a recognition that federal government regulatory programs have not worked or have been counter-productive in the energy field.

Domestic production of energy must be increased. President Reagan's decision to end oil price controls is the first strong step toward increasing production. Decontrol will enhance the level of competition in the domestic oil industry, encouraging the industry to lower its operating costs to efficient levels and to increase its ability to respond to sudden changes in supply and demand. The U.S. consumer will benefit directly from these changes. That decision, and the dismantling of a cumbersome regulatory apparatus, will result in both direct and indirect budget savings in the Economic Regulatory Administration. Direct savings are in the petroleum regulatory and enforcement activities. Indirect savings are made in other regulatory activities that were designed to compensate for marketplace imbalances caused by price controls on oil.

A second major factor in determining the Department's budget for FY 1982 is the imperative need to control Federal spending in order to begin to bring inflation under control. As you know, inflation cannot be controlled if the Federal government continues to spend far in excess of its revenues. Every Federal government program has been examined very carefully, and almost every agency has had to contribute to the effort to reduce the rate of growth in federal spending.

The reductions in the ERA budget also reflect a recognition that Federal government regulatory programs have not worked or have been counter-productive in the energy field. It will be the free marketplace, not government, which will supply the enormous capital investments necessary to reduce reliance on imported oil. It is the marketplace, not government, that can allocate energy resources most efficiently. The dynamism of the free market as an instrument of progress and social betterment has been proved long ago and confirmed repeatedly.

IMPACTS OF THE FY 1982 BUDGET

I would now like to discuss the Economic Regulatory Administration budget for FY 1982 in view of these factors.

Petroleum Operations

The decision to decontrol petroleum on January 28, 1981, has increased the rate at which personnel and resources associated with the price and allocation programs can be eliminated. Before the end of this fiscal year, some two hundred federal employees associated with administering the price and allocation programs will no longer be needed. We will also be able to reduce the data collection burden on industry.

Fuels Conversion

The Powerplant and Industrial Fuel Use Act (FUA) prohibits the use of petroleum and natural gas in new and existing electric powerplants and

major industrial installations. The Department plans to phase-out the discretionary regulatory activities in FY 1981 and has requested no funding for the remainder of the prohibitions for FY 1982. Only three powerplant units have converted to coal under the program in two years and they did so voluntarily. The Fuel Use Act program has not caused any involuntary conversions. Furthermore, the economics of the higher cost of oil resulting from decontrol have deminished, in large part, the need for further mandatory actions.

Therefore, changes to the Fuel Use Act will be proposed in order to eliminate the program in a logical fashion.

Utility Rates and Energy Management

Under the authority of the Public Utilities Regulatory Policies Act (PURPA), this program has, in the past, been geared to assisting the State Public Utility Commissions in the implementation of electric utility rate structures which promote electric generation efficiency, equity and conservation. The timetable under PURPA calls for completion of State rulemaking consideration by November 1981.

The FY 1982 Budget contains no further provision for continued financial or technical assistance to public utility commissions. A Federal role of this nature is no longer required since further progress in rate reforms and related conservation initiatives will be undertaken by the utility sector drawing on their own recent experience and the body of information, pilot projects, demonstrations, etc., developed by this program over the years.

Regulatory Interventions

Under the authority of PURPA and the Department of Energy (DOE) Act, the regulatory interventions program provides testimony on energy related policy before state and federal regulatory bodies, and through selected proceedings, advances national energy policy. No funding is included in the FY 1982 budget for this program. All on-going interventions will be completed in FY 1981. If it becomes necessary for the Department to testify in the future on any such matters, the Department's Office of the General Counsel will perform that function.

DEPARTMENT OF ENERGY REORGANIZATION

Secretary Edwards recently announced a realignment of the Department to improve management and to reflect the increased emphasis on research and development and production. The new organization is expected to bring tighter line management and elimination of duplication in functions.

Accordingly, the Economic Regulatory Administration will be reorganized. The reorganization of the ERA will reflect the decontrol of crude oil and petroleum products; the orderly phase-out of programs to be eliminated in FY 1982; the transferral of emergency preparedness functions to the Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness; and the continuance of on-going ERA functions.

Programs being transferred to the Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness are the Utility Program's power supply and reliability activity, the Emergency Preparedness program and the Petroleum Operations market price and supply analysis function. The Compliance program, as well as the remainder of the Petroleum Operations programs will remain under the purview of the ERA in FY 1982.

FY 1982 APPROPRIATION REQUEST

Now, let me address the specific activities for which we are requesting a total of $24 million in FY 1982.

Emergency Preparedness Programs to be Transferred

As I've indicated, the following programs have been reassigned within the Department to the new Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness. Because they are being carried under the ERA appropriation heading, I will address them here briefly; however, it is understood that the committee will address these programs at a later hearing on DOE emergency preparedness programs.

Utility Programs

We are requesting $5 million to continue our power supply and reliability activities. Funds are requested for reviewing international electricity transactions, expanding the Electric Power Monitoring Center, responding to fuel supply emergencies, and investigating major power system outages.

Emergency Preparedness

We are requesting $2 million for the emergency preparedness programs.

The most important accomplishment in this area has been the decontrol of oil markets. In the past, the country had in place what might be called a "negative emergency preparedness policy" due to controls on petroleum products. These controls amplified tightness in oil markets and, by allocating products on a historical basis, contributed to shortages and gasoline lines.

We are currently taking stock of existing emergency authority to determine which, if any, additional legislation is needed to deal with substantial disruptions in world oil markets. The funding requested for FY 1982 will be used to develop and maintain DOE readiness to deal with defense or peacetime "declared emergencies", and to insure an adequate DOE capability to communicate effectively with State and local governments.

Petroleum Operations

Finally, resources will be used to support a small price and supply analytical capability. Since world oil supplies are influenced by a relatively small number of producers concentrated in an insecure region of the world, we must be prepared to respond to potential supply disruptions. We believe free market forces will, generally under most if not all conditions, provide the necessary incentives to ensure the most efficient allocation of available supplies of crude oil. We also believe, however, that continued monitoring is advisable in case there are any world oil supply disruptions with major economic impacts. Decisions on implementing emergency plans and other actions such as SPRO draw-down require that we maintain information on international and domestic supply situations.

ERA Programs

Those programs remaining in ERA as a result of the recent Departmental reorganization are the Compliance activity and the Natural Gas and Oil Import components of the Petroleum Operations program. I will discuss each of these separately.

Compliance

The request for compliance, which includes the Office of Special Counsel and the Office of Enforcement, is $12 million.

The Office of Special Counsel audits the top 35 major refiners to ensure compliance with Federal pricing regulations. By the end of fiscal year 1981, the Office of Special Counsel expects to complete audits of the top 35 firms through 1980.

At present, the Office of Special Counsel has 190 enforcement actions pending, totalling a potential of $8.5 billion. Settlements to date include some $500 million in cash restitution, including refunds to customers, price roll backs and payments to the Treasury. In addition, $2.7 million has been deposited to the U.S. Treasury in Civil penalties and $50,000 in criminal penalties.

The Office of Enforcement audits the thousands of non-major firms which are engaged in producing and refining crude oil and reselling crude oil and petroleum products to assure compliance with Federal pricing and allocation regulations. As of January 31, 1981, this Office drafted and issued documents resulting in the identification of $2.3 billion in potential oil company pricing violations and recovered an additional $662 million through negotiated settlements for a total of $3 billion.

Since October 1977, the Special Investigations Division has referred 80 cases to the Department of Justice for criminal investigations and possible prosecution. Since March 1979, 71 defendants have been indicted or convicted to date, 40 of which were involved in alleged illegal crude reselling activities. These defendants have been assessed approximately $800,000 in criminal fines and $6,575,000 in civil penalties, while 12 have received prison sentences.

During FY 1980 and thus far in FY 1981, special attention was given to crude oil reseller activity with emphasis placed on detecting and prosecuting those resellers which failed to certify crude oil properly. During FY 1980, 35 documents were issued to crude oil resellers alleging violations totaling nearly $240 million. Already in FY 1981, one document alone, alleging a violation of $195 million was issued. Additionally, since October 1977, 26 matters have been referred to the Department of Justice as potential willful violations involving crude reseller activity.

During FY 1982, the program will focus primarily on the resolution of compliance cases through negotiated settlements, and will focus secondarily on litigation when reasonable settlements are not achieved. The reduction of funding for FY 1982 reflects completion and close out of most audit activities and close out of some cases through negotiated settlements.

Funds requested for FY 1982 will provide for completion of crude oil reseller audits and continuation of litigation activities. During FY 1982 emphasis will be shifted from audit to litigation. The proposed budget will enable the Office of Special Counsel to pursue the major cases it has brought against major refiners in the pricing of domestic crude oil, natural gas liquids and disputed claimed increases in non-product costs. During FY 1982, the Office of Enforcement will focus on the resolution and litigation of top priority special investigations, crude oil reseller cases and other significant cases.

In those instances of suspected criminal activity, referrals have been and will continue to be made to the Department of Justice.

Petroleum Operations

The request for Petroleum Operations activities is $3.6 million. The continuing activities under this program area include the Natural Gas Import/Export Program, the Oil Imports Program and a reduced price and supply analytical capability which will directly support contingency planning and emergency preparedness activities. This latter activity was described earlier in this testimony.

The Natural Gas Program is required by the Natural Gas Act, Titles III and IV of the Natural Gas Policy Act, Section 607 of the Public Utilities Regulatory Policies Act and the DOE Organization Act, and is distinct from responsibilities under the EPAA. In FY 1982, import/export cases will be received and reviewed for approvals. These cases will be increasingly complex. A careful review is necessary to study contracted gas prices and the impact on a regional or national level. ERA will also continue to review the impact of the natural gas curtailment priorities regulations and issue interpretations under these rules.

Under authority of the Defense Production Act, the ERA will issue priority orders, as appropriate, for petroleum products to the Department of Defense programs.

The Oil Import Program will also be administered. It is authorized by the Trade Expansion Act of 1962 and Presidential Proclamation No. 3279, as amended. The program monitors and controls crude oil and product imports by issuing licenses.

This concludes my statement, I will be happy to answer any questions of the Subcommittee.

BIOGRAPHY OF BARTON R. HOUSE

Barton R. House was named Deputy Administrator for Operations and Emergency Management, Economic Regulatory Administration (ERA), Department of Energy (DOE), on July 5, 1979. He oversees ERA's petroleum operations, fuels conversion and enforcement programs, and during energy emergencies, manages all of ERA's resources, including regional resources, to provide ERA's operational response.

Before accepting his current position, Mr. House was ERA's Assistant Administrator for Fuels Regulation. While serving in that capacity, he directed the Coal Supply Task Force during the coal strike of 1977-1978 and, more recently, the Diesel Task Force, established to ease the effects of current diesel shortages.

Prior to the creation of DOE, Mr. House was the Deputy Assistant Administrator for Operations in the Office of Regulatory Programs of the Federal Energy Administration (FEA) that became part of the new department on October 1, 1977. Mr. House joined FEA in 1974 and served in a number of positions including Senior Operations Research Analyst; Director, Program Integration; and Associate Assistant Administrator for Program Development, before his appointment as Deputy Assistant Administrator for Operations in November 1975.

Mr. House has worked as Director of Advance Planning for Grumman Aerospace Corporation and in various civilian positions with the U.S. Army, among them Chief and Deputy

Chief of Programs, Coordination Group of the U.S. Combat Development Command, Advanced Attack Helicopter Task Force; Research Analyst, Office of the Deputy Secretary of the Army, Operations Research; and Acting Director for Systems Integration Analysis and Chief of the Strategic Forces Group at the U.S. Army Concepts Analysis Agency.

A native of Somerset, Massachusetts, Mr. House received his Bachelor of Science degree in mechanical engineering from Southeastern Massachusetts University in 1960 and his Master of Science degree in operations research from New York University in 1966.

Mr. House is a veteran of six years in the Air National Guard, and received the Army's Meritorious Civilian Service Award in 1970. In 1974, he was awarded the Superior Service Award from FEA, and in 1975 he received the FEA Distinguished Service Award. He is the author of several publications.

Biography of Robert L. Davies

Bob Davies is the Assistant Administrator for Fuels Conversion under the Administrator of the Economic Regulatory Administration in the Department of Energy. He is responsible for a workforce engaged in implementation of the Fuels Conversion authorities granted under the Energy Supply and Environmental Coordination Act (ESECA) of 1974, the Energy Policy and Conservation Act (EPCA) of 1976, and the Powerplant and Industrial Fuel Use Act of 1978.

Mr. Davies has been in the Federal Government's energy arena since May 1974, when he joined the Federal Energy Office. He established the Strategic Petroleum Reserve Office and became its first director in 1975.

Mr. Davies is a native of McKees Rocks, Pennsylvania, and now makes his home in Oakton, Virginia. He is a graduate of Miami University in physics and holds a Ph.D. in nuclear engineering from Pennsylvania State University.

Biography of Howard F. Perry

Howard F. Perry is Acting Assistant Administrator for Utility Systems, Economic Regulatory Administration, U.S. Department of Energy (DOE). He shares management responsibility for DOE programs in the area of utility rate design, power supply and reliability, voluntary utility coordination, technical and financial assistance to state regulatory agencies, and appearances before the Federal Energy Regulatory Commission and other agencies on matters relating to utility issues.

Previously, Mr. Perry had served as Director of Regulatory Assistance in the Office of Utility Systems. There he managed programs of financial and technical assistance to State utility commissions and public power systems. The assistance programs under his direction focus on utility ratemaking, energy management, and customer relations.

Mr. Perry joined DOE in 1977, at the time of its establishment. Since 1974, he had been with the Federal Energy Administration (FEA) which became a part of DOE in 1977. In FEA, Perry had been involved in energy policymaking in the area of electric and gas utilities, initiating FEA's rate demonstration and utility consumer office programs. He also helped to formulate utility-related portions of the President's National Energy Act and was DOE's technical representative to the House/Senate Energy Conference Committee during the consideration of those provisions.

Prior to joining FEA, he was Resource Manager for the Emergency School Assistance Program in the Department of Health, Education and Welfare. He had been with HEW since 1965, serving in a variety of program management positions in the Public Health Service, the Social Security Administration and the Office of Education.

Perry was born in Randolph, Vermont, in 1943. He attended the University of Vermont and received his B.A. degree in government, cum laude, in 1965. He also graduated from the management intern program of the Office of the Secretary of HEW. Mr. Perry has received numerous professional and academic awards, and is a member of the American Society for Public Administration.

Howard Perry resides in Potomac, Maryland with his wife and two children.

Biography of Gordon W. Harvey

Gordon W. Harvey is the Assistant Administrator for Enforcement, Economic Regulatory Administration, U.S. Department of Energy (DOE). Mr. Harvey, whose appointment as Assistant Administrator was effective October 1980, had served as Acting Assistant Administrator for that Office since March. In his present position Mr. Harvey is responsible for directing the Department's nationwide enforcement program of ensuring compliance with federal energy regulations by the petroleum industry.

Mr. Harvey served as Deputy Assistant Administrator for Enforcement for ERA from October 1977 to March 1980 and for the Federal Energy Administration (FEA), a predecessor agency of DOE, from December 1976 to October 1977. Prior to that appointment, he was Director of the FEA's Office of Enforcement Policy and Planning from July 1975 to December 1976 and Director of FEA's Office of Planning and Evaluation from June 1974 to July 1975.

From June 1962 to June 1974, when he joined the FEA, Mr. Harvey served in several auditing positions at the Department of Defense (DOD). In his last assignment with DOD, he was Managing Auditor of the Pentagon Audit Office with responsibility for directing Army-wide audits throughout the world.

Mr. Harvey received his master's degree in public administration from the University of Oklahoma and a B.S. degree in business education and accounting from Concord College in Athens, West Virginia. Mr. Harvey, a Certified Internal Auditor, is a member of the Association of Government Accountants. He has served as a training instructor in several management and auditing programs.

He has received numerous awards during his Federal career, including a "District Auditor of the Year" commendation from the U.S. Army Audit Agency, a special achievement award from the FEA, a service award from the DOE, a Meritorious Award for exemplary achievement in Public Administration from the prestigious William A. Jump Memorial Foundation and the Association of Government Accountants' annual "Author's Award."

Born on December 29, 1939, in Ada, West Virginia, Mr. Harvey has resided in Bowie, Maryland since 1969 with his wife Thelma Bailey Harvey and their children, Sonja and Michael.

Biography of Yvonne L. Allen

Yvonne L. Allen is the Director, Energy Liaison Center, Economic Regulatory Administration, Department of Energy. In this position, Mrs. Allen reports directly to the Administrator of the Economic Regulatory Administration and is responsible for ERA's program of communication and coordination with state and local governments in the area of energy emergency preparedness.

Mrs. Allen has been involved with federal energy programs since August, 1973, when she joined the Office of Oil and Gas, Department of Interior, to work with industry on the voluntary allocation program. In November, 1973, Mrs. Allen became a Regional Coordinator with the Federal Energy Office. In that capacity, she was responsible for setting up the FEO Regional Offices.

In 1975, Mrs. Allen became an Intergovernmental Relations Specialist with the Federal Energy Administration. She worked closely with state and local governments and the Public Interest Groups on FEA's regulatory programs. During her tenure in the Office of Intergovernmental Relations, Mrs. Allen served on the Department's Natural Gas Task Force and the Winter Energy Emergency Planning Task Force.

Mrs. Allen joined ERA in 1977, when she set up and directed the Energy Emergency Center (EEC) to assist the states during short-term energy emergencies. The EEC served as the Department's operations center during the coal strike of 1977, the natural gas shortage of 1978 and the gasoline shortage of 1979. The EEC was the predecessor of the Energy Liaison Center.

Prior to her work in federal energy programs, Mrs. Allen served as Assistant to the Director of the National Institute of Education, Department of Health, Education and Welfare.

Born in Gloucester, Massachusetts in 1932, Mrs. Allen now resides in Silver Spring, Maryland. She is the mother of five children.

Biography of Samuel M. Bradley

Samuel M. Bradley is the Acting Assistant Administrator for Energy Contingency Planning, Economic Regulatory Administration, U.S. Department of Energy (DOE). The Office of Energy Contingency Planning serves as the core staff in DOE for the preparation of energy contingency response plans.

Prior to his appointment to his current position in August 1980, Mr. Bradley was Deputy Assistant General Counsel for Petroleum Regulations in DOE's Office of General Counsel. Mr. Bradley joined the General Counsel's Office of the Federal Energy Administration, a predecessor agency of DOE, in January 1977.

A native of North Carolina, Mr. Bradley received a Bachelor of Arts degree in political science from Duke University and the Juris Doctor degree from the University of Virginia. In August 1979 he received the Department of Energy's Exceptional Service Medal.

Biography of Avrom Landesman

Avrom Landesman
Acting Special Counsel
for Compliance
Economic Regulatory Administration
Department of Energy

Born: October 21, 1935 - McKeesport, Pennsylvania

Married: Sarah Garfinkel
4 Children--Uri, Devorah, Nathaniel, Judith

Residence: Silver Spring, Maryland

Education: BA, Brooklyn College, 1958
Honors in Political Science

LLB, Harvard University Law School, 1961

Employment:
--1962-1968 - Attorney, Bureau of Restraint of Trade Federal Trade Commission

--1968 - Deputy Assistant Chief Counsel, Office of Foreign Direct Investments, Department of Commerce

--1969 - Assistant Chief Counsel for Interpretations Office of Foreign Direct Investments, Department of Commerce

--1970 - Director, Compliance Division, Office of Foreign Direct Investments, Department of Commerce

--1973-1974 - Deputy Director, Office of Foreign Direct Investments, Department of Commerce

--1974-1975 - Associate Assistant Administrator for Compliance and Enforcement, Federal Energy Administration

--1975-1977 - Assistant General Counsel for Compliance, Federal Energy Administration

--1977-1981 - Deputy Special Counsel for Compliance, Department of Energy

--Jan 1981-Present - Acting Special Counsel for Compliance, Department of Energy

BIOGRAPHY OF ALLAN P. WEEKS

Allan P. Weeks is the Deputy Assistant Administrator, Office of Regulatory Policy, Economic Regulatory Administration, Department of Energy (DOE). In this position, Mr. Weeks is responsible for the development of regulations concerning the allocation and pricing of crude oil and petroleum products, implementation of the Fuel Utilization Act and the administration of the Natural Gas Policy Act.

From April 1979 to March 1980 when he was appointed to his current position, Mr. Weeks was the manager of the Department of Regulatory Affairs for Crown Central Petroleum Corporation in Baltimore, Maryland.

Prior to that Mr. Weeks had served with DOE and the Federal Energy Administration (FEA) one of the Department's predecessor agencies, since 1974. During that time, Mr. Weeks was involved in a number of DOE and FEA regulatory programs, including leasing policy development, petroleum price regulations, international regulations, Clean Air Act amendments, the coal conversion program and mandatory conservation programs.

In 1971, Mr. Weeks became a member of the law firm of Steptoe & Johnson in Washington, D.C., where he practiced general corporate law before joining FEA. He was with the law firm of O'Melveny & Myers in Los Angeles, California, for two years before that. During the summer of 1968, he worked as a law clerk for Goodwin, Proctor & Hoar in Boston, Massachusetts, and the previous summer he was employed by Better Government Associates, Inc., in Harrisburg, Pennsylvania.

Mr. Weeks was associated with Buchart-Horn, Inc., in York, Pennsylvania, as a consultant to local governments from 1965 to 1966 and was a research assistant for the Pennsylvania League of Cities during part of 1965. He served as a procurement officer with the United States Air Force at Olmstead Air Force Base, Pennsylvania, from 1962 to 1965.

A graduate of Dartmouth College in 1962 with an A.B. degree in economics, Mr. Weeks received his J.D. degree from the Boston University School of Law in 1969.

Mr. Weeks was on the staff of the Boston University Law Review while working on his law degree and was Case Comment Editor from 1968 to 1969. He is a member of the District of Columbia Bar and the State of California Bar.

Born in Boston, Massachusetts in 1940, Mr. Weeks now resides in Washington, D.C. His hobbies include skiing, tennis, fly fishing and travel.

SUMMARY STATEMENT

Mr. HOUSE. The significant reduction in our budget is due to several key factors: First, the President's positive action with respect to decontrol of crude oil and petroleum products; second, the need to bring the runaway Federal budget under control; and, third, the recognition that, in general, Government regulatory programs have not worked and have been counterproductive in the energy field. In recognition of these factors, we are proposing the orderly phaseout of several activities.

First, decontrol of crude oil and petroleum products has eliminated the need for the complex regulatory program that has been in effect for the past several years, which, I might add, was put in place originally to treat a shortage situation in 1973.

Second, the administration plans to phase out the discretionary activities of the Powerplant and Industrial Fuel Use Act during fiscal year 1981 and has requested no funding for the remainder of the prohibitions for fiscal year 1982. The act has not caused any significant involuntary conversions. Furthermore, the increased cost of oil has made

coal economically viable without unnecessary Government intervention. We intend to seek amendments to the present legislative program during the present session of Congress.

Third, many of the activities of the utility sector have been carried out under the Public Utilities Regulatory Policies Act and will be completed at the end of fiscal year 1981; in the fiscal year 1982 budget, we have no further provision for continuing financial and technical assistance to State public utility commissions.

Secretary Edwards recently announced a reorganization of the Department designed to bring about tighter management and elimination of duplicative functions. This new organization structure reflects an increase in emphasis on research and development.

The Economic Regulatory Administration will be reorganized to reflect the decontrol of crude oil and petroleum products; the orderly phaseout of programs to be eliminated in fiscal year 1982; and the transfer of the emergency preparedness function to the new Office of the Assistant Secretary for Environmental Protection, Safety, and Emergency Preparedness. The remaining functions within the ERA will be the Office of Special Counsel, Office of Enforcement, and certain other ERA functions such as natural gas import/export and oil import programs.

Selected ERA activities being transferred to the new Office of the Assistant Secretary for Environmental Protection, Safety, and Emergency Preparedness include the utility programs' power supply and reliability activity, the emergency preparedness program, and the petroleum operations market, price, and supply analysis functions.

I would like now to specifically address the $24 million we are requesting in fiscal year 1982. We are requesting $5 million to continue our power supply and reliability activities. Funds are requested for reviewing international energy transactions, expanding the electric power monitoring center, responding to fuel supply emergencies, and investigating major power system outages.

For emergency preparedness, we are requesting $2 million to develop and maintain DOE readiness to deal with defense or peacetime "declared emergencies," and to assure an adequate capability to communicate effectively with State and local governments.

For the programs remaining in ERA, $12 million is requested for compliance activities, which includes the Office of Special Counsel and Office of Enforcement. Funds requested will enable the Office of Special Counsel to pursue major cases it has brought against major refiners and will enable the Office of Enforcement to focus on the resolution and litigation of top-priority special investigations, crude oil resellers cases, and other significant cases involving potential violations.

We intend to complete most of the audit work by the end of fiscal year 1981. During fiscal year 1982, we will shift our emphasis to concentrate on negotiated settlements and litigation. Evidence of willful violations will continue to be referred to the Justice Department.

The request for petroleum operations activities is $3.6 million. The continuing activities under this program area include the natural gas import/export program, oil imports program, and a reduced price and supply analytical capability which will directly support contingency plan-

ning and emergency preparedness activities. The remaining $1.5 million is for program administration.

That, Mr. Chairman, completes my opening statement.

Senator McCLURE. Thank you.

Senator Huddleston.

Senator HUDDLESTON. Thank you, Mr. Chairman.

FUELS CONVERSION PROGRAM

Mr. House, I do have some real concern about the proposal to terminate the mandatory fuel conversion program, particularly given the absence of any specific policy to take its place.

How many prohibition orders against the use of oil and gas as utility boiler fuel are pending under the Fuel Use Act now?

Mr. HOUSE. There are 40 pending for electric utilities and 10 for Federal facilities, for a total of 50.

Senator HUDDLESTON. Do you have any estimate on how much additional coal would be burned and how much oil would be backed out if these orders were finalized?

Mr. HOUSE. Yes; if they were finalized, it would be approximately 240,000 barrels per day. Converting that to coal is about 23 million tons a year.

Senator HUDDLESTON. A pretty substantial amount just on what is pending at the present time. Do you believe it to be in the national interest to eliminate these pending proceedings in the Office of Fuels Conversion, resulting in a greater use of oil instead of coal?

Mr. HOUSE. Based on our experience to date, voluntary conversions have occurred, and the actual completion of these actions through the mandatory process could be very, very time consuming, if in fact we could possibly complete all of them. That is first.

Second, this morning I checked the differential between coal and oil on a Btu equivalent basis for 1976 and compared it with 1978. The differential in 1976 was about $1.15 per million Btu's. Today, it's about $2.80 per million Btu's. I believe there is a tremendous force out there called economics that would allow these conversions that make economic sense to go on in the future.

For that reason, I think the free market should be given a chance. So I would support, at this point, reducing the Fuel Use Act program.

Senator HUDDLESTON. You're not interested in expediting the procedures to finalize the orders, or pending prohibition orders?

Mr. HOUSE. I'm interested in expediting those it's possible to do on a voluntary basis, because I believe if you attempt to enforce the conversion of unwilling participants, it can be very long and time consuming and expensive for all parties.

Senator HUDDLESTON. Do you have any idea how many will still be pending when your funds run out?

Mr. HOUSE. All of them. We haven't completed any of them.

Senator HUDDLESTON. And don't expect to complete any?

Any estimate of how much personnel or dollars of appropriation would be required if you did process all the pending prohibition orders to completion?

Mr. HOUSE. Yes; approximately 25 to 30 people and about $1¼ million for fiscal year 1982. I wouldn't be able to estimate beyond that point in time. I'm sure we could not bring them through the whole process in 1982.

Senator HUDDLESTON. How long do you think it would take?

Mr. HOUSE. 1982 and 1983.

Senator HUDDLESTON. That is not really a bad investment to get that kind of conversion, it seems to me.

Mr. HOUSE. I believe, with respect to the economic question, that the price differential between coal and oil, as I previously mentioned, will make voluntary coal conversions economically viable.

Senator HUDDLESTON. You think that will make the difference?

Mr. HOUSE. Yes; quite frankly, we have seen that the number of orders of baseload oil- or gas-fired plants has really dropped off significantly.

CLEAN AIR ACT AMENDMENT

Senator HUDDLESTON. Now we have a situation where some utilities really would like to convert but because of the differential in the manner in which we treat voluntary conversions and involuntary conversions at the present time, they are waiting. As a matter of fact, their ability to convert may hinge on being ordered to convert by the Government, in order to take advantage of the special provisions of the Clean Air Act.

Have you encountered that situation?

Mr. HOUSE. Yes, sir.

I might add that the Brayton Point plant, which was the first to convert, was in my hometown. So I'm very much aware of that.

Senator HUDDLESTON. What is your response to that?

Mr. HOUSE. I believe we should, in the review of the Clean Air Act, amend the act, similar to the bill you proposed, to allow voluntary conversions——

Senator HUDDLESTON. I'm flattered that you're aware of that bill.

Mr. HOUSE. I did my homework, sir. I happen to personally agree with the thrust of that bill.

Senator HUDDLESTON. I'm glad to hear that. You think that would provide some assistance?

Mr. HOUSE. As a matter of fact, Dr. Davies and I have talked on many occasions. One of the things Secretary Edwards said to me early on was, "If your regulations don't help somebody, please get out of the way. If you find a way to help somebody, please do it." I think this is one of those cases.

FEDERAL FACILITIES CONVERSIONS

Senator HUDDLESTON. What is the current status of the program to convert coal-capable Federal facilities from oil and gas to coal?

Mr. HOUSE. I would like to ask Dr. Robert Davies to answer that.

Dr. DAVIES. The very first order issued to anything but a utility was to the Department of Energy, for the boiler at the Argonne National Laboratory. That boiler and facility has applied for and received the compliance order from EPA and is currently burning coal. In addition,

we have issued nine to GSA, Department of Defense, and achieved considerable progress toward conversion of these facilities.

In addition, I think there are three factors, all coming together at the same time. One is the orders that we have issued on voluntary conversions. The second factor you must take credit for yourself; this is the fiscal 1981 Military Appropriations Act that requires the service to examine their facilities. And, of course, the Executive order.

These factors have tended to focus attention on the life-cycle economics of Federal facilities. We survey those facilities, and we see a great deal of activity at all levels, looking at their boilers and what is the true cost to maintain and operate them on oil, the cost of conversion, and should they be replaced. I see a great deal of activity.

Senator HUDDLESTON. I learned, when we were looking into it, both the military and Government in general, that the paybacks on these conversions are generally very good, and they do result in a savings pretty quickly to the Government, besides saving on the use of oil.

I am wondering, if the Office of Fuels Conversion is abolished, who is going to coordinate this program to see it's followed through. There is a pretty good list of potential facilities.

Mr. HOUSE. In the Federal budget, and in particular Defense budgeting, you and I are both aware of the operating accounts and post-cancellation accounts. There is a problem.

I think my contacts with the Department of Defense, where the majority of these units are located, have indicated they're aware of the problem and, believe it or not, there are some people in Defense that worry about economics at a sufficient level with respect to both operations and post cancellations. So I believe the differential in cost I mentioned earlier is going to cause Defense to worry about it.

They are the major element in that area. So I think that will be picked up.

Senator HUDDLESTON. We will try to help them and remind them of it from time to time. The chairman here also deals with defense appropriations. We run into the same problem there—we do with a lot of things in defense. If you really have to be concerned about the outlay for one particular year, sometimes you're not able to look down the road and see the savings. This is a problem we are confronted with. Thank you, Mr. Chairman.

PREPARED STATEMENT

Senator MCCLURE. Thank you. Next we will hear from Mr. Breznay, Director, Office of Hearings and Appeals.

Your statement will appear in full in the record, Mr. Breznay. You may highlight that in whatever way you prefer or give the entire statement.

[The statement follows:]

STATEMENT OF GEORGE B. BREZNAY

Mr. Chairman, members of the committee, I appreciate the opportunity to appear before you for the first time today to discuss the operations of the Office of Hearings and Appeals.

Until the end of January of the 1981 fiscal year, the Office of Hearings and Appeals reached determinations in 3,230 Applications for Exception, Appeals and other requests for Administrative relief. Consequently, the inventory of open applications had been reduced by 33 percent since the beginning of the fiscal year. You may recall that it was the extreme increase in filings and pending submissions -- reaching an inventory level as high as 9,900 during September 1979 -- and the necessity to resolve these filings which led to increased staffing and budget levels for the Office of Hearings and Appeals during the current and prior fiscal years. As you can see from the attached tables, these inventory levels had been very substantially reduced even prior to the President's January 28 Executive Order, which exempted immediately all products subject to the DOE pricing and allocation regulations. This in itself would have meant that there was a reduced need for funding during the 1982 fiscal year.

The January 28th Executive Order very substantially changed the projected level and nature of the operations of the Office of Hearings and Appeals for the balance of the current year and for the 1982 fiscal year. Following the effective date of the Executive Order, during February 1981 the Office of Hearings and Appeals proceeded to resolve 2,049 pending submissions. In addition, other than submissions involving the Entitlements Program, which I will touch on in a moment, the number of new filings received by the Office of Hearings and Appeals after the Executive Order has declined.

As a result of these trends, the Office of Hearings and Appeals immediately appraised activities for the 1982 fiscal year. These new projections led us to conclude that the Office could operate effectively during fiscal year 1982 at a substantially reduced level of funding. This level of funding is incorporated in the Office of Hearings and Appeals revised 1982 fiscal year budget request.

In addition to the revision of the projected activities of the Office of Hearings and Appeals for 1982 in view of the Executive Order, an intensive review of the operations and existing workload of the Office for the balance of the 1981 year was undertaken. One product of this review is our revised projection of 1982 opening case inventories to begin the reformulation of that year's revised budget request. Of at least equal importance, however, was the need to, insofar as possible, bring to a close pending matters which might unnecessarily delay the speedy and orderly termination of the prior regulatory program. Of principal concern were matters involving the Entitlements Program.

This program operates with a built in two-month delay and has therefore continued to function beyond the effectiveness of the Executive Order based upon activities occuring in December 1980 and until January 28, 1981. In addition, many aspects of the program, including the adjustment of exception relief to appropriate levels, cannot be terminated immediately with the issuance of an Entitlements Notice in March. Furthermore, touched off I believe by the impending termination of the program, the Office of Hearings and Appeals is receiving substantial numbers of new entitlements-related submissions. All of these matters need be resolved before the program can be wrapped up fairly through the issuance of a final Entitlements Notice or "clean up" list. This final clean up action cannot realistically be taken while important matters pertaining to the Entitlements Program are pending before the Office of

Hearings and Appeals. We have therefore realigned substantial personnel and resources to insure the expeditious and prompt resolution of these cases with a view toward the speedy termination of the Program.

The actions which I have described were taken first to close matters where further consideration was unnecessary and second to facilitate the prompt and orderly ending of the Entitlements Program. The Office of Hearings and Appeals is also concentrating substantial additional resources in areas involving appellate proceedings such as compliance related cases. These and other matters will continue to be presented to the Office of Hearings and Appeals for review at least throughout the 1982 fiscal year. Realigining resources at this point to expand the expertise of the Office in these areas is a necessary component of an effective operating posture during the 1982 fiscal year -- a posture which will not only permit the Office of Hearings and Appeals to consider cases on a timely basis but also to be in a position to respond expeditiously in emergency circumstances.

This concludes my prepared presentation. I would be pleased to respond to any questions which you might have.

Biography of George B. Breznay

Mr. George B. Breznay was named Director, Office of Hearings and Appeals (OHA), U.S. Department of Energy (DOE), on November 14, 1980. He had served as Acting Director, OHA, since September 22, 1980, and as Director of OHA's Office of Legal Analysis since the establishment of DOE on October 1, 1977. Prior to that time he served with OHA's predecessor, the Office of Exceptions and Appeals, with the Federal Energy Administration.

The OHA is responsible for adjudicating appeals of DOE orders and applications for exception from regulatory or mandatory requirements. OHA also issues remedial orders to firms which are found to be in violation of DOE regulations.

From 1969 to 1974, Mr. Breznay practiced corporate law with the legal firm of LeBoeuf, Lamb, Leiby, and MacRae in New York City. In 1968 he was local manager of the Chappaqua Oil Corporation in Libya.

Mr. Breznay received an A.B. degree from Harvard College in 1963. He graduated from Harvard Law School in 1966 and is admitted to the bar in the State of New York and the District of Columbia.

Active in the legal profession, Mr. Breznay has spoken at numerous professional meetings for bar association and other legal groups. He is a member of the Energy Committee of the Bar Association of the City of New York.

Mr. Breznay lives with his wife, the former Susan Phibbs, and their three children in the District of Columbia.

TABLE I
INPUT/OUTPUT FISCAL 1980

Total Office of Hearings and Appeals

Month	Beginning Inventory	Receipts	Final National Determinations	Proposed National Determinations	Regional Determinations	Total Determinations	Ending Inventory*
October 1979	9,834	1,810	717	152	1,282	2,151	9,645
November	9,645	1,622	563	279	1,863	2,705	8,841
December	8,841	2,133	390	293	2,450	3,133	8,134
January 1980	8,134	1,941	448	102	1,744	2,294	7,883
February	7,883	1,844	774	88	1,400	2,262	7,553
March	7,553	1,619	704	148	1,436	2,288	7,032
April	7,032	1,252	361	86	1,433	1,880	6,490
May	6,490	1,273	397	77	1,087	1,561	6,279
June	6,279	1,090	391	87	1,062	1,540	5,916
July	5,916	800	451	85	996	1,534	5,269
August	5,269	542	293	43	701	1,037	4,817
September	4,817	518	292	104	550	946	4,493
TOTAL		16,444	5,781	1,544	16,004	23,331	

*Includes cases originating in the Headquarters component for which Proposed Decisions and Orders have been issued but not yet finalized.

TABLE II
INPUT/OUTPUT FISCAL 1980

Headquarters Office of Hearings and Appeals

Month	Beginning Inventory	Receipts*	Final Decisions and Orders	Proposed Decisions and Orders	Administrative Closings**	Total Determinations	Ending Inventory***
October 1979	4,267	419	213	152	504	869	3,969
November	3,969	369	316	279	247	842	3,775
December	3,775	667	212	293	178	683	4,052
January 1980	4,052	476	253	102	195	550	4,080
February	4,080	433	653	88	121	862	3,739
March	3,739	242	372	148	332	852	3,277
April	3,277	211	261	86	100	447	3,127
May	3,127	209	283	77	114	474	2,939
June	2,939	214	293	87	98	478	2,762
July	2,762	212	382	85	69	537	2,523
August	2,523	167	230	43	63	336	2,397
September	2,397	214	202	104	90	396	2,319
TOTAL		3,833	3,670	1,544	2,111	7,321	

*Excludes cases sent to Regions.
**Excludes cases sent to Regions.
***Includes cases for which Proposed Decisions and Orders have been issued but not yet finalized.

TABLE III
INPUT/OUTPUT FISCAL 1980

Regional Office of Hearings and Appeals

Month	Beginning Inventory	Receipts*	Final Decisions and Orders **	Proposed Decisions and Orders	Administrative Closings***	Total Determinations	Ending Inventory
October 1979	5,567	1,391	181	376	725	1,282	5,676
November	5,676	1,253	146	721	996	1,863	5,066
December	5,066	1,466	354	1,240	856	2,450	4,082
January 1980	4,082	1,465	466	752	526	1,744	3,803
February	3,803	1,411	303	653	444	1,400	3,814
March	3,814	1,377	349	690	397	1,436	3,755
April	3,755	1,041	267	753	413	1,433	3,363
May	3,363	1,064	296	517	274	1,087	3,340
June	3,340	876	424	347	291	1,062	3,154
July	3,154	588	493	305	198	996	2,746
August	2,746	375	288	223	190	701	2,420
September	2,420	304	239	166	145	550	2,174
TOTAL		12,611	3,806	6,743	5,455	16,004	

*Excludes cases sent to Headquarters and other Regions.
**Excludes finalization of Proposed Exception Decisions and Orders.
***Excludes cases sent to Headquarters and other Regions.

TABLE IV
INPUT/OUTPUT FISCAL 1981

Total Office of Hearings and Appeals

Month	Beginning Inventory	Receipts	Final National Determinations	Proposed National Determinations	Regional Determinations	Total Determinations	Ending Inventory*
October 1980	4,493	473	417	56	521	994	4,028
November	4,028	430	216	48	475	739	3,767
December	3,767	393	346	79	417	842	3,397
January 1981	3,397	372	318	33	326	667	3,125
February	3,125	157	784	29	1,237	2,050	1,261

TOTAL

*Includes cases originating in the Headquarters component for which Proposed Decisions and Orders have been issued but not yet finalized.

TABLE V
INPUT/OUTPUT FISCAL 1981

Headquarters Office of Hearings and Appeals

Month	Beginning Inventory	Receipts*	Final Decisions and Orders	Proposed Decisions and Orders	Administrative Closings**	Total Determinations	Ending Inventory***
October 1980	2,319	147	311	56	106	473	2,049
November	2,049	114	170	48	46	264	1,947
December	1,947	168	263	79	83	425	1,769
January 1981	1,769	158	224	33	94	351	1,609
February	1,609	112	121	29	663	813	937

TOTAL

*Excludes cases sent to Regions.
**Excludes cases sent to Regions.
***Includes cases for which Proposed Decisions and Orders have been issued but not yet finalized.

TABLE VI
INPUT/OUTPUT FISCAL 1981

Regional Office of Hearings and Appeals

Month	Beginning Inventory	Receipts*	Final Decisions and Orders **	Proposed Decisions and Orders	Administrative Closings***	Total Determinations	Ending Inventory
October 1980	2,174	326	288	115	118	521	1,979
November	1,979	316	305	98	72	475	1,820
December	1,820	225	227	66	124	417	1,628
January 1981	1,628	214	188	52	86	326	1,516
February	1,516	45	55	2	1,181	1,237	323

TOTAL

*Excludes cases sent to Headquarters and other Regions.
**Excludes finalization of Proposed Exception Decisions and Orders.
***Excludes cases sent to Headquarters and other Regions.

SUMMARY STATEMENT

Mr. BREZNAY. Thank you, Mr. Chairman, Senator Huddleston. I would like to make a few points by way of a summary of the prepared statement. Attached to the prepared statement is a detailed table showing inventory levels, case receipts and other numbers regarding activity of the Office of Hearings and Appeals since the beginning of fiscal year 1979. Those figures tell a fascinating story, and show the changes that have been taking place at the Office of Hearings and Appeals since the allocation crisis occurred in 1979. They also indicate that major changes have been taking place in the nature of our workload even before the President's action to decontrol gasoline in January. From a high inventory level of almost 10,000 cases in 1979, our inventory levels at the end of 1980 were close to 3,000 and have continued to decline since that time.

With the President's action decontrolling motor gasoline the allocation cases that remain in the office have become substantially moot. And inventory levels have reflected that change as well. At the present time we have virtually no motor gasoline allocations remaining in-house.

It is with the benefit of the resources given to the Office of Hearings and Appeals over time that we were able to manage that enormous caseload and respond to that crisis.

What we do have remaining in the office at the present time are cases in three primary areas. The first involves cases relating to the entitlements program, which is winding down. We have been receiving a substantial number of new submissions and have a number of older submissions relating to crude oil and the entitlements program.

The second category is enforcement-related matters. That is assuming an ever larger proportion of our workload. Included in this category are the refund cases, which we also have a number of at the present time.

The third category involves the ongoing Department-wide matters for which OHA has responsibility. These are adjudications involving, for example, the Freedom of Information Act, Privacy Act, exceptions to forms and informational requirements, retroactive exceptions and so on.

The fact that our focus has narrowed to these three areas does not mean OHA is not extremely busy. To some extent, work on these matters had to be delayed while the allocation crisis continued. These three categories of matters now require detailed, extensive attention. Many are extremely complicated, and many will inevitably produce litigation no matter how we decide them. Careful analysis is therefore essential. Some of the most complex regulatory matters are now before OHA, involving the large compliance cases. Our projected analysis of case reports during 1982, and our historic productive levels were combined to produce the proposed funding for the Office of Hearings and Appeals for fiscal year 1982.

In our view this level of funding is adequate for us to meet the expected level of activity that we will receive in that period. This concludes my summary, and I would be pleased to respond to questions you might have.

FUELS CONVERSION PROGRAM

Senator McCLURE. Thank you very much. Let me commence my questions by underscoring the concern that Senator Huddleston has already expressed concerning what will happen with conversions if, as a matter of fact, you terminate the mandatory conversion program.

I have no doubt that the Fuel Use Act needs to be reviewed, and it would be my expectation that it will be reviewed. The Energy and Natural Resources Committee has that on its agenda to look at this year, and perhaps take some final action with respect to it.

But I am just a little concerned, as I look at the statistics and rationale for total ending of the mandatory conversion program. You indicated that, well, things were being done.

Now we anticipate they will be done more simply, because of economic circumstances. Perhaps one of the reasons things were moving in that direction was because there was a mandatory conversion program, and maybe not just economics. And that if you removed the mandate, you might lose a little of the incentive. Is that a possibility, Mr. House?

Mr. HOUSE. I believe it is always a possibility. But my experience has shown that when you really get down to trying to force someone, plant specific, program specific, to do something they really do not want to do via regulatory means, it is time consuming and it is costly for all parties.

If you can use some other means to give the signal that was created by the fuel use legislation, through modifications in the Clean Air Act or through other program areas, I believe you can compensate for that. In the 4 years that I have been associated with the regulations that I am now administering, starting at the GS–14 level and working up through, it has been a very, very frustrating task.

Senator McCLURE. But some progress has been made?

Mr. HOUSE. Yes; and I think a lot is due to the way Dr. Davies and a few other people have been trying to run the program.

Senator McCLURE. If, as a matter of fact, it is true that those who really don't want to convert and are successful in frustrating the attempts to make them convert, it would also be true, would it not, that those who were, might be nudged over the edge because there is such a program?

Mr. HOUSE. On that one I believe the economics of the "could or couldn't" will make the decision.

Senator McCLURE. But if the economics are marginal it's easier not to do it?

Mr. HOUSE. That is true.

Senator McCLURE. But if the economics are marginal and there is a mandatory conversion program, you don't have much trouble pushing them, do you; is that correct?

Mr. HOUSE. Yes.

Senator McCLURE. There might be some of those who get pushed into conversion that otherwise might not, simply because of economics?

Mr. HOUSE. There is another dimension. There is the whole environmental aspect, as well, that needs to be addressed.

Senator HUDDLESTON. May I address this question, Mr. Chairman?

Senator McCLURE. Of course.

CLEAN AIR ACT AMENDMENTS

Senator HUDDLESTON. The program is going to expire before we have time to make the adjustments you suggest are necessary, and I have suggested are necessary, through the legislative route. What happens in the meantime? Are we going to have a period of time when we don't have any mandatory conversions, and there is no relief for the voluntary conversions?

Mr. HOUSE. I have discussed that issue within the Department. We are aware of it. And the people that are reviewing title by title, and section by section, the various legislation, are aware that you don't want to throw the baby out with the bath water.

Senator HUDDLESTON. I understand.

Mr. HOUSE. I believe, and my recommendation would be, we shouldn't let that happen to us.

Senator HUDDLESTON. Can we move that fast?

Mr. HOUSE. I am pushing it.

Senator HUDDLESTON. Thank you, Mr. Chairman. This is a problem that bothers me, the gap here in which we can make virtually no progress at all, because if the mechanism is not there, we can't make these adjustments in the Clean Air Act.

Mr. HOUSE. Yes, sir.

NATURAL GAS USE

Senator McCLURE. One of the assumptions at the time the Fuel Use Act was passed was that natural gas was in extremely finite supply. That in the near future, certainly by the end of the century, we would begin to run into supply shortages that were severe enough to threaten our ability to continue supplies to existing household customers.

That was one of the motivations Congress had in mind at the time we mandated a termination of the use of natural gas in industrial and utility boilers.

Since that time, for a variety of reasons, most of which are in the economic realm, there have been a great deal of additions to the supplies of natural gas. And that process has not yet ended.

We are drilling more, discovering more. While the statistics are slightly arguable, there are some who believe that last year we added to net reserves more than was consumed, so there was an increase in reserves for the first time in years and years.

Some of that gas is extremely high cost, but it is being added to inventory.

Meanwhile, the Canadians have made massive discoveries in the western provinces and that gas, even under the National Energy Act, will be available to us in the near future.

If the supplies of natural gas are now as good as those who propose that there is the so-called bubble, then perhaps we should look at the Fuel Use Act with that in mind as well.

Among the various suggestions regarding the Fuel Use Act is that of repealing the prohibitions on the use of natural gas by those facilities which are now using natural gas. What, in your opinion, would be the practical aspect of such an action?

Mr. HOUSE. Presently under the special public interest exemption program, we are backing out, so to speak, approximately 350,000 barrels a day of residual fuel oil of various types sulfur and some small amount of distillate. If all of those exemptions were to expire and not roll over at the end of the 5-year period, you would see, assuming that coal-fired baseload plants and nuclear-fired baseload plants had not come on, that that would be picked up most likely by oil-fired plants.

Senator MCCLURE. So if there is aggressive enforcement of this act over the years, we could see an increased use of oil under this provision of the prohibition of natural gas?

Mr. HOUSE. Yes; but I might add that we intend to review these special interest exemptions and continue to process them through this year, hoping that whatever amendments are requested will take care of that problem in the long run.

CAPITAL REQUIREMENTS OF CONVERSION

Senator MCCLURE. I look at the potential still for conversion of oil to coal, and some potential, perhaps, certainly to avoid pushing natural gas to oil, as very good goals for this country to pursue. I am concerned that the economics alone might not do it as rapidly as the economics with some assist. The economics are powerful. So are the economics of a plant that is in being that has not yet been amortized out and capital requirements for many of these utilities are otherwise very extreme, utilities in particular.

Mr. HOUSE. I tend to agree with you in that area, because of the capitalization.

Senator MCCLURE. Even if it were economic for them to convert. Even if you could put pencil to the paper and indicate they would save money in the long run by converting from oil to coal, they still might not do it, because of the capitalization requirements that they find very, very difficult to meet. Is that not correct?

Mr. HOUSE. Yes.

Senator MCCLURE. There are other ways to deal with that question other than mandatory conversion. You can look at it in taxing policy as an example. There are other varieties of ways in which it might be approached, too.

Potential for saving oil in converting to coal or away from oil, including the possibility of the use of natural gas, coal conversion alone, together with getting nuclear powerplants licensed that are ready to go and will be by the end of this year, has the potential for reduction of imported oil by 10 to 15 percent of total imports today. That seems to me to be too important to ignore.

Mr. HOUSE. I would agree with that. I still feel our experience with the program has been that economics and the environmental factors tend to really swing those decisions a lot more than the actual program itself.

COMPLIANCE ACTIVITIES

Senator MCCLURE. Let me turn for a moment to the question of compliance. The fiscal year 1982 request from compliance is $11.9 million, a decrease of 83 percent from the 1981 figure of $67.3 million. Among

your expected activities in fiscal year 1982 is the movement from the audit phase to the litigation phase of the enforcement program for the 35 major refiners. This all hinges on the completion of the audits during the the remainder of fiscal year 1981. How many audits are yet to be completed and in what stage of completion are they?

Mr. HOUSE. As of today, 32 of the 35 are completed from 1980. Three remain to be completed. We anticipate those will be completed in fiscal year 1981.

Senator MCCLURE. They will be completed by the end of this year?

Mr. HOUSE. Yes.

Senator MCCLURE. So, so far as you are now aware, the audit function will have been completed with available resources during fiscal 1981?

Mr. HOUSE. That is correct.

Senator MCCLURE. Then we can move to the litigation phase; is that correct?

Mr. HOUSE. Yes; but in all honesty, the litigation phase is going to require audit support. That is important. The question is you're shifting. My intent is to get all the audits done so that we are in a position to—if not sooner, then later—do the litigation.

I want to make this very clear. I talked to the Secretary last night to make sure. The Secretary is very clear—there will be no general amnesty. The strategy I developed with the Secretary's knowledge and with the two principals involved in implementing the program is as follows: We will have the audit work completed in fiscal year 1981. That gives us the base upon which to understand the order of magnitude of the type of violation. That base will not disappear.

I have a commitment, because I, too, do not want general amnesty, I have a commitment that we will be able to process those cases in fiscal year 1982 and beyond if necessary, based on a strategy that looks at the potential size of the violation, strength of the case and time to complete.

We will, each year that Secretary Edwards is around, rack up at the end of the year what cases we have settled, either through the negotiated settlement process or the litigation process, and reprioritize those other cases in both areas.

And we are not going to walk away.

PROSECUTION OF PRICING VIOLATION CASES

Senator MCCLURE. Are you going to write off some of the cases as being unworthy of prosecution?

Mr. HOUSE. Unworthy of prosecution. We may not take certain cases sooner, but later. The absolute writeoff will only be based on the fact that we didn't have a case going in.

Senator MCCLURE. That can be the result of reevaluation as well as result of the audit? The audit is complete, then you have a certain number of facts before you?

Mr. HOUSE. Yes,

Senator MCCLURE. Those facts would indicate——

Mr. HOUSE. You proceed.

Senator McCLURE. Existence of some apparent violations, some possible violations. Is that correct?

Mr. HOUSE. Yes.

Senator McCLURE. In the evaluation you may decide that some of the possible violations were as a matter of fact not really violations or not clear enough?

Mr. HOUSE. Yes.

Senator McCLURE. To justify prosecution because the likelihood of being successful would be small?

Mr. HOUSE. The likelihood of expected success would be very small.

Senator McCLURE. The reason I ask the question concerning general amnesty stems from your response, which might indicate there will be some partial amnesty.

Mr. HOUSE. No; what I meant to say in those cases where once the work is done we see criminal or willful violation, there is no question they will be referred to Justice.

Second, as you say, there will be, like the IRS, black and white areas and gray areas. The black areas we will definitely continue. In the gray areas we will continue based on priority. In the white areas, where we feel we don't have a case, we will not continue.

Senator McCLURE. I think it's important to an understanding of the compliance activities that the regulations are oftentimes very complex. That there are some legitimate arguments about what they mean; is that not correct?

Mr. HOUSE. As a matter of fact, experience has shown that, if you have a potential gross violation, the actual violation after litigation has been resolved or after settlement, is probably a third of that order of magnitude. One of the things you see a lot of is the big number of the gross. It's like gross income before the adjustment. It gets adjusted downward to a lesser number.

Senator McCLURE. I'm concerned about it because when you go from a $67.3 million level of activity to $11.9 million, there is immediately in the minds of many an obvious policy shift that says well, now, we are not going to prosecute those violations. What you're telling me is that you're going to continue to refer every violation that is worthy of prosecution to the Justice Department for that action.

Mr. HOUSE. That's correct.

Senator McCLURE. Is that correct?

Mr. HOUSE. Or I wouldn't stay with the job.

Senator McCLURE. Do you have the resources adequate to continuing that prosecution into fiscal 1982 under your proposed budget?

Mr. HOUSE. Yes; we will have approximately 235 people in the ERA area. Additionally, 90 people will be in the Office of General Counsel. So you will have on the order of magnitude of 335 people in fiscal year 1982 to continue this activity and beyond, if necessary.

STATUS OF PRICING VIOLATION CASES

Senator McCLURE. You have for some time been pursuing a number of investigations of pricing violations by both major and other oil refiners. Could you briefly outline the status of those cases which have been settled and those which remain under investigation?

Mr. HOUSE. Yes.

Mr. LANDESMAN. I will answer the question for the 35 majors, if that was the thrust of your question. We have, as of today, 208 outstanding violation cases that we have already brought, representing charges of gross violations of some $8.3 billion. In addition to that, we have already completed, predominantly through the process of negotiated settlements, some 15 comprehensive settlements with 15 of those 35 major companies.

Senator MCCLURE. Is that 15 out of 208?

Mr. LANDESMAN. No; it's 15 companies out of the 35. With respect to 15 of those 35 companies, we have more or less achieved a total resolution of the outstanding problems we had with them, some for as recently as the end of 1980; some for an earlier period. But with respect to 15 of the 35 companies, we have done a large chunk of the audit as well as resolution of the charges that came out of the audit, the problems we discovered in the course of the audit.

Beyond that we still have 208 outstanding cases in our inventory, and as I said, they represent about $8.38 billion of gross violations. As Mr. House said earlier, sometimes the violations involve cost challenges, such as if we say that the price of domestic crude oil was too high, and that the refiner counted it on his books at a higher price than it legally should have been. That does not necessarily mean that the petroleum product that was manufacturered from that crude oil was sold to people at a price that was an equivalent overcharge, because not all the products of crude oil have been under control for the same length of time. Gasoline remained under control until January 28, but some other products were decontrolled a couple of years earlier than that, in some cases more than a couple of years earlier than that. So the net overcharge resulting from gross cost violations on the part of refiners is a lower number, sometimes substantially lower than the charges we announce.

We do intend, as Mr. House said, in fiscal year 1982, to pursue all of the violations that, on the basis of a review of the companies' responses to the charges we make, lead us to believe that the charges are still viable and are correct. And we will pursue them in administrative proceedings through the Office of Hearings and Appeals, sometimes directly in court. It will take some time to have all those things done. That is why we asked for an appropriation in 1982.

Senator MCCLURE. You indicate there are 208 cases pending now.

Mr. LANDESMAN. Yes.

Senator MCCLURE. You indicated that with 15 companies you have entered into some kind of settlements on all or a substantial portion of their matters. How many cases have been settled or prosecuted to finality?

Mr. LANDESMAN. I believe you are asking how many cases had been outstanding against those 15 companies?

Senator MCCLURE. Yes; and for all 35.

Mr. LANDESMAN. For all——

Senator MCCLURE. You have 208 on the books now. How many had you had total? Was it 209 and you have settled one, or were there 210 and you have settled two?

Mr. LANDESMAN. I believe the number is something in the neighborhood of 270.

Senator MCCLURE. That have been settled or was that the total number?

Mr. LANDESMAN. No; 270 was the gross, of which something like 60 have been settled with the 15 companies, leaving 208 left.

Senator MCCLURE. So you have settled somewhat——

Mr. LANDESMAN. Something a little more than one-third.

Senator MCCLURE. Some portion of the total. How long have these cases been identified?

Mr. LANDESMAN. Very few of the cases were brought before the end of 1979. The Office of Special Counsel, as you may know, Mr. Chairman, was only created in December 1977 to pursue a special comprehensive audit effort aimed at the 35 major refiners.

DECISION ON BUDGET REQUEST

Senator MCCLURE. Will you describe for the committee the role that the Office of Management and Budget has played in deciding how to proceed with these outstanding cases?

Mr. LANDESMAN. Well, other than their decision on what the appropriate budget level ought to be, none to my knowledge.

Senator MCCLURE. How did they arrive at what the appropriate level should be?

Mr. LANDESMAN. That is not known to me, sir.

Senator MCCLURE. What was your request?

Mr. HOUSE. I recommended $44 million.

Senator MCCLURE. $44 million?

Mr. HOUSE. Yes.

Senator MCCLURE. That was cut?

Mr. HOUSE. For both special counsel and enforcement.

Senator MCCLURE. That was cut to what figure?

Mr. HOUSE. $11.9 million.

Senator MCCLURE. You don't know how they arrived at that cut?

Mr. HOUSE. Basically, from my perspective, I am in a position to understand what I need to do. They have the job of what is available in bringing it down to my perspective.

It is my understanding that the economic conditions were such that that is what they felt was the overall cut required across the board. The rationale was simply that $11.9 milion was what was available for this function in fiscal year 1982.

I think, Mr. Chairman, it's important to put this in proper perspective. With the $44 million, we were going to try to do a lot more in fiscal year 1982 and a lot less in 1983, 1984, and 1985.

What I see here and the way I live with myself is that I have a commitment from the Secretary of Energy. Because of the budget constraints in fiscal year 1982 that we are all aware of, we are only going to be able to do so much in 1982. But that is why I go back to the remark I made earlier. If not sooner, then later.

Nothing had been said about 1983, 1984, or 1985. The commitment had been made not to walk away. So the question is, do you frontload the program in the time mentioned, or do you stretch it out? The answer is, because of budget constraints, we are stretching it out.

Senator McCLURE. Will the budget of $11.9 milion allow the Office of Special Counsel and Office of Enforcement to continue to do their work during 1982?

Mr. HOUSE. I believe so.

Senator McCLURE. There wouldn't be any falling away of the ability to pursue the cases in 1983 and 1984?

Mr. HOUSE. It would be foolish to say you could do the same with $44 or $30 million that you can do with $12 million. The intent is to make sure we take advantage of the force we have now to get the data with which to do this in 1982, 1983, and 1984.

There will have to be a readjustment. We will lose some skills. But we will do the best with what we have.

Senator McCLURE. I have a number of other questions which I will submit for the record.

Mr. HOUSE. Surely.

REDUCTION OF CASELOAD

Senator McCLURE. Mr. Breznay, I must commend you for the work of OHA in reducing the backlog of petitions from nearly 10,000 in October 1979 to just 1,747 as of February 20. Are these the correct figures?

Mr. BREZNAY. That sounds like the right figure, Mr. Chairman.

Senator McCLURE. That seems like quite an accomplishment. I note you believe the number will fall further, 1,500 by September 20, 1981 and to 800 by September 20, 1982. I must admit however, that I am a little puzzled as to why you can reduce the backlog by 5,393 between the end of fiscal years 1979 and 1981, but can only reduce it by 700 between fiscal years 1981 and 1982. Can you give me a reason why that might be?

Mr. BREZNAY. Mr. Chairman, the substantial decreases in workload which we have been able to show with respect to the great volume of cases which came in during the allocation crisis primarily reflect the disposition of cases involving retail and reseller motor gasoline requests for additional allocations of motor gasoline.

They grew out of a similar factual situation, economic factors were relatively standard, although regions of the country had some differences. The kind of analysis that could be done on those cases was relatively similar. We were able to adopt standardized formats and utilize a number of techniques that promoted a great deal of efficiency in processing that standard type of case. What we are seeing now is our docket having changed to consist primarily of big cases. For example, price violations involving major refiners where the underlying regulations are extremely complicated. Or price violations at other levels where we have a hotly-contested proceeding.

Many of the cases in our office are now at a stage where teams of lawyers that represent the parties are appearing before us. In one proceeding we have had dozens of hearings and have issued at least 50 determinations, formal written determinations which may give you some idea of the complexity of just one individual case.

Consequently, to compare the current inventory levels and type of workload with the older workload is somewhat deceptive. I think the

nature of the workload has changed drastically and you just can't move those cases as fast as we used to be able to.

CASE PROCESSING TIME

Senator McCLURE. In previous years OHA testified that the average time for processing a case was 69 days. You were attempting to decrease that figure to 60 days on a uniform basis. Have you succeeded? What is the average processing time for a case?

Mr. BREZNAY. Mr. Chairman, I don't have those figures with me. I would be happy to provide that on an aggregate basis. It's unquestionably the case that we cannot process an enforcement matter in anything like the 60 days. The regulations themselves specify that there should be a response to a proposed remedial order that should be filed in within, I believe 55 days after the filing of the PRO. Then there is some response by the Office of Enforcement of Special Counsel within another period. We are beyond the 60-day period before we have the exchange of the initial pleadings.

And discovery must take place commonly, and we have oral argument and sometimes evidentiary hearings. So we are into years in some of these cases. But with respect to the processing time, I can give that to you for a specified period. Would you like it in a calendar year or over a particular period?

Senator McCLURE. Give it over a period. Just identify what the period is.

Mr. BREZNAY. All right. I would be happy to do that.

[The information follows:]

AVERAGE CASE PROCESSING TIME

During March 1981, the proposed and final decisions and orders issued by the Office of Hearings and Appeals had been on hand an average of 179 days.

CASES OVER 60 DAYS OLD

Senator McCLURE. How old is your oldest case?

Mr. BREZNAY. I may have some figures on that, if you will give me just a moment. In headquarters we have 391 cases, as of March 1, which are older than 360 days.

Senator McCLURE. 391 more than 1 year old?

Mr. BREZNAY. Right. The figures that I have don't indicate which of those are substantially older than that. I can get you that figure. Of those 391, the majority involve enforcement actions. Those do take an increasing amount of time.

Senator McCLURE. For the record, would you please list all the pending cases over 60 days and indicate how long they have been pending?

Mr. BREZNAY. Yes, sir.

[The information follows:]

CASES OVER 60 DAYS OLD

The following is a listing of each of the cases of the Office of Hearings and Appeals which, as of April 1, 1981, had been onhand more than 60 days and the age in days of each of these cases.

(OBJECTIONS TO PROPOSED ORDERS AGED FROM NOTICE)
04/01/81

LITTLE AMERICA REFINING CO.	DEX-0005	1262
HUSKY OIL COMPANY OF DELAWARE	DEX-0007	1203
HUSKY OIL COMPANY OF DELAWARE	DXE-0079	1188
LAKETON ASPHALT REFINING, INC.	DEX-0053	1107
EDGINGTON OIL COMPANY, INC.	DEX-0060	1087
HUSKY OIL COMPANY OF DELAWARE	DEX-0061	1087
TEXACO, INC.	DEE-0947	1062
HOMESTEAD GAS COMPANY, INC.	DRO-0052	1048
HNG OIL COMPANY	DRO-0066	1015
TEXACO, INC. (HAMILTON)	DEE-1391	1009
TEXACO, INC. (RIPPERDAM)	DEE-1392	1009
TEXACO, INC. (SURFLUH)	DEE-1393	1009
CRYSTAL PETROLEUM COMPANY	DRO-0081	996
TEXAS CITY REFINING, INC.	DEE-1419	994
BOLIN, GENE L. DBA CHEVRON STA	DRO-0082	994
ASHLAND OIL, INC.	DRO-0084	989
HUSKY OIL COMPANY OF DELAWARE	DEE-1680	986
MACKELLER, INC.	DRA-0201	980
LAKETON ASPHALT REFINING, INC.	DEX-0097	980
LEBSACK OIL PRODUCTION, INC.	DRO-0073	975
BUREK OIL COMPANY, INC.	DRO-0091	971
BUREK OIL COMPANY, INC.	DRO-0109	971
MITCHELL ENERGY CORPORATION	DRO-0093	966
JEDCO, INC.	DEO-0095	957
YOUNG REFINING CORPORATION	DEX-0104	952
CROWN CENTRAL PETROLEUM CORP.	DRO-0111	930
COASTAL STATES GAS CORPORATION	DRO-0113	925
CORPUS CHRISTI MANAGEMENT CO.	DRO-0123	910
HUSKY OIL COMPANY OF DELAWARE	DEX-0112	910
LUNDAY-THAGARD OIL COMPANY	DEX-0113	908
LITTLE AMERICA REFINING CO.	DEX-0116	903
MID-AMERICA REFINING CO., INC.	DEE-1959	901
MEEKER & COMPANY	DRO-0138	888
AUSTRAL OIL COMPANY, INC.	DRO-0141	876
COMMONWEALTH OIL REFINING CO.	DEE-1022	866
ARGO PETROLEUM CORPORATION	DRO-0146	862
CHEVRON U.S.A. INC.	DEE-0848	856
PIEDMONT NATURAL GAS COMPANY	DEE-2037	855
SMITH, JOE E.	DRO-0149	854
LAMPTON-LOVE, INC.	DEE-2032	848
WILSON OIL COMPANY	DEO-0124	838

ST. LOUIS FUEL & SUPPLY CO.	DRO-0159	832
DIVERSIFIED CHEM. & PROPELLANT	DRO-0160	832
CITY OF LONG BEACH, CALIFORNIA	DRO-0161	831
BATSON PETROLEUM CORPORATION	DRO-0136	827
LODGE, LUCIA	DRO-0162	826
MCALESTER FUEL COMPANY	DMR-0040	826
GARRETT PRODUCTION COMPANY	DRO-0164	825
TEXAS PACIFIC OIL COMPANY, INC	DRO-0165	825
HALBERT, JACK	DRO-0169	819
BASSETT OIL & EQUIPMENT CO.	DRA-0277	814
TEXACO, INC.	DEE-1777	813
HENRY PETROLEUM CORPORATION	DEE-1400	812
ATLANTIC RICHFIELD COMPANY	DEA-0283	807
ELM CITY FILLING STATIONS, INC	DRO-0172	805
LOUISIANA CRUDE OIL & GAS CO.	DRA-0289	803
LOUISIANA CRUDE OIL & GAS CO.	DEE-2130	798
NEWHALL REFINING COMPANY, INC.	DEX-0133	798
ST. LOUIS FUEL & SUPPLY CO.	DRD-0159	796
ST. LOUIS FUEL & SUPPLY CO.	DRH-0159	796
UCO OIL COMPANY	DFI-0014	791
NFC PETROLEUM CORPORATION	DRO-0175	791
CAPITAL 66 OIL COMPANY	DRO-0176	789
MCCULLOCH GAS PROCESSING CORP.	DRO-0177	783
WIGHT, JOHN	DEE-1417	777
HEWIT & DOUGHERTY	DEE-2195	775
PACIFIC RESOURCES, INC.	DEA-0328	765
GULF OIL CORPORATION	DEA-0330	764
DESPOT PRODUCTION	DEE-2231	764
QUINCY OIL, INC.	DRA-0336	763
A. TARRICONE, INC.	DRO-0182	751
JENNINGS, JOHN P.	DEE-2208	749
UCO OIL COMPANY	DEE-2487	748
UCO OIL COMPANY	DEH-0062	744
MEMPHIS AERO CORPORATION	DEE-2810	743
TEXACO, INC.	DEA-0350	741
DELTA REFINING COMPANY	DRO-0185	741
MCCORMICK OIL & GAS	DRO-0186	741
CITY OF LONG BEACH, CALIFORNIA	DEE-1951	740
CHARTER OIL COMPANY	DXE-2108	734
ARIZONA FUELS CORPORATION	DEX-0156	733
EDGINGTON OIL COMPANY, INC.	DEX-0160	733
DOUGHERTY GROUP	DEE-3455	730
WALL, EARL E.	DRO-0188	727
BROCK EXPLORATION CORPORATION	DRO-0190	723
JOHNSON OIL COMPANY	DEE-3708	722
O'CONNOR, WILLIAM J.	DRO-0191	722
CHARTER OIL COMPANY	DEX-0152	722
LAKETON ASPHALT REFINING, INC.	DEX-0155	722
NORWEGIAN OIL CORPORATION	DMR-0050	722
BILL EGAN OIL COMPANY	DEE-3809	719

MEASON OIL COMPANY	DEX-0153	719
MELCHER OIL COMPANY	CRO-0192	716
STANCO PETROLEUM, INC.	DRO-0201	715
MORAN OIL COMPANY, INC.	DRO-0202	715
OE/ALBERT B. ALKEK	DFF-0002	713
SIMMONS OIL CORPORATION	DST-4497	713
KERN COUNTY REFINERY, INC.	DMR-0047	709
BROCK EXPLORATION CORPORATION	DRO-0210	707
SIMMONS OIL COMPANY	DMR-0048	707
UCO OIL COMPANY	DMR-0049	707
HOMESTEAD GAS COMPANY, INC.	DEE-5116	698
E-Z SERVE, INC.	DEA-0396	694
PHILLIPS PETROLEUM COMPANY	DEE-5113	693
KIRKPATRICK OIL & GAS COMPANY	DRO-0211	693
OE/JACK E. GUENTHER	DFF-0004	688
RANCO OIL COMPANY, INC.	DRO-0173	687
LOWE OIL COMPANY	DRO-0215	685
RPL OIL COMPANY, INC.	DRO-0218	681
ATLANTIC RICHFIELD COMPANY	DRO-0193	673
GULF OIL CORPORATION	DRO-0194	673
PARAFICN OIL COMPANY	DRO-0195	673
STANDARD OIL CO. OF CALIFORNIA	DRO-0196	673
STANDARD OIL CO. OF OHIO	DRO-0197	673
TEXACO, INC.	DRO-0199	673
HERBERT YOUNG GULF STATION	DES-6111	673
BROCK EXPLORATION CORPORATION	DRD-0190	667
BROCK EXPLORATION CORPORATION	DRD-0210	667
BROCK EXPLORATION CORPORATION	DRH-0190	667
BROCK EXPLORATION CORPORATION	DRH-0210	667
CIBRO PETROLEUM PRODUCTS, INC.	DPI-0038	663
ATLANTIC RICHFIELD COMPANY	DRO-0229	663
WALL, EARL E.	DRD-0188	653
WALL, EARL E.	DRH-0188	653
ENERGY CORPORATION OF AMERICA	DRO-0238	653
ASHLAND PETROLEUM CO. (MEASON)	DRA-0465	652
UNITED OIL COMPANY	DRO-0241	649
HUGHES & HUGHES OIL & GAS	DRO-0243	644
CONE, J. R.	DRO-0247	643
HENRY PETROLEUM CORPORATION	DRO-0250	642
ESTES ENGINEERING CO.	DRO-0251	642
CHAMPLIN PETROLEUM COMPANY	DEX-0185	642
BROWN, GEORGE R.	DRO-0266	632
YOUNG REFINING CORPORATION	DEX-0190	632
WARRIOR ASPHALT CO. OF ALABAMA	DEX-0211	632
CIRCLE R CONVENIENCE STORES,IN	DEE-7254	630
WILSHIRE OIL CO. OF TEXAS	DRO-0225	628
KERN COUNTY REFINERY, INC.	DEX-0195	628
TEXFEL PETRO./I.U.INTERNAT'L.	DRO-0200	625
LEO'S-WINSTEAD'S, INC.	DRO-0232	624
ATLANTIC RICHFIELD COMPANY	DRD-0229	622

ATLANTIC RICHFIELD COMPANY	DRH-0229	622
SAVEWAY STATIONS/AUTO FLITE CO	DRO-0288	622
TEXFEL PETROLEUM CORPORATION	DRD-0200	621
TEXFEL PETROLEUM CORPORATION	DRH-0200	621
MARATHON OIL COMPANY	DEA-0668	618
MARATHON OIL COMPANY	DES-0668	618
MARATHON OIL COMPANY	DST-0668	618
UCO OIL COMPANY	DEL-2487	617
ASHLAND PETROLEUM CO. (HOLLIN)	DRA-0540	615
HAWTHORNE OIL & GAS CORP.	DRO-0208	609
SPRUCE OIL CORP.	DMR-0064	607
BRIDEWELL,COBB,COBB,JEFFERS,&	DRO-0319	601
CONE, J. R.	DRH-0247	597
CONE, J. R.	DRD-0247	597
JONES & BROWN ENTERPRISES	DEE-3274	595
MARATHON OIL COMPANY	DEA-0595	593
HUNT OIL COMPANY	DRO-0343	593
TEXACO, INC. (TIPPERARY)	DEA-0611	586
SAFIEDINE, YOUSEF	DEE-3628	586
SHELL OIL COMPANY	DEA-0612	583
GULF OIL CORPORATION	DEA-0613	583
SHELL OIL COMPANY (MAURY ISL)	DEA-0631	583
MODERN VALLEY DAIRY	DEA-0517	583
GULF ENERGY & DEVELOPMENT CORP	DRO-0356	582
SAN JOAQUIN REFINING COMPANY	DEX-0201	581
JORDAN GAS COMPANY	DRO-0299	580
EXXON COMPANY, U.S.A.	DEA-0626	579
FARMLAND INDUSTRIES, INC.	DEE-8061	574
FARMLAND INDUSTRIES, INC.	DEL-8061	574
BAYSIDE FUEL OIL DEPOT CORP.	DRO-0361	574
BAYSIDE FUEL OIL DEPOT CORP.	DRO-0362	574
DAVIS & FORBES	DRO-0375	568
OASIS PETRO ENERGY CORP.	DEE-7983	565
DUNLAP, E. JR..	DRO-0383	561
STANDARD OIL CO. OF INDIANA	DEE-8244	561
POWERAM OIL COMPANY, INC.	DRO-0388	560
SAVEWAY SERVICE STATIONS, INC.	DRD-0288	555
TOTAL PETROLEUM, INC.	DED-3188	554
FARMLAND INDUSTRIES, INC.	BEE-0054	546
MIDLAND ENERGY CORPORATION	DEE-3188	544
LITTLE AMERICA REFINING CO.	DEE-7391	544
PESTER REFINING COMPANY	BEA-0018	544
DAVIS & FORBES	BRD-0004	544
LUNDAY-THAGARD OIL COMPANY	BEX-0002	540
FIELDS FIELD COMPANY	DEE-3706	539
ALLERKAMP, ERNEST E.	BRO-0020	534
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LYON OIL COMPANY	DEE-2684	526
CLARK, GARNER C.	BRO-0050	526
TOSCO CORPORATION	BEA-0028	526

SAINT GEORGE OIL CORP.	DEE-3489	525
MEMPHIS AERO CORPORATION	DRO-0244	523
RAMONA GAS AUTHORITY	BEE-0242	523
REHOBOTH AMOCO	BEO-0092	519
GIANT INDUSTRIES, INC.	BEE-0272	518
IMPERIAL REFINERIES CORP.	BRO-0093	518
GOLDSBY, MALCOLM E.	BRO-0097	517
GIANT INDUSTRIES, INC.	BEL-0272	517
CHARTER OIL COMPANY	BEE-0284	513
L.E. JONES PRODUCTION COMPANY	BEE-0292	513
AMERICAN MARINA DEVELOPMENT	BRO-0106	513
DIAMOND SHAMROCK CORPORATION	BEA-0040	512
INGRAM CREEK SERVICE	BEE-0301	512
OKMAR OIL COMPANY	BRO-0119	510
BAYSIDE FUEL OIL DEPOT CORP.	BRH-0013	509
BAYSIDE FUEL OIL DEPOT CORP.	BRD-0013	509
GULF ENERGY & DEVELOPMENT CORP	BRD-0014	505
MAYFIELD, M.L.	DEE-1957	504
CLIFF ADAMS/ADAMS EXXON ET AL.	BMR-0011	504
CRESCENT REFINING & OILS CO.	BRO-0155	502
OFFICE OF SPECIAL COUNSEL	BRR-0013	499
EXXON COMPANY, U.S.A.	BRO-0177	498
WELLEN OIL, INC.	DRO-0360	497
TRUE OIL COMPANY	DRO-0268	492
SIERRA PETROLEUM COMPANY, INC.	DRO-0351	492
OKMAR OIL COMPANY	BRD-0119	491
LAKE CHARLES REFINING CO.	BEA-0092	485
OFFICE OF SPECIAL COUNSEL	BED-0020	484
ATLANTIC RICHFIELD COMPANY	BRO-0293	483
REARICK, K.R. "KEN"	BRO-0327	481
GULF OIL CORPORATION	BMR-0016	481
HARRISON GAS & OIL, INC.	BRO-0336	477
GILBERT'S SERVICE STATION	BEO-0373	475
JOHNSON, WILLIAM (CITRONELLE)	BRO-0434	470
FORD OIL COMPANY	BRO-0065	469
FORD OIL COMPANY	BRD-0065	469
FORD OIL COMPANY	BRH-0065	469
ENERGY COOPERATIVE, INC.	BEA-0108	469
BUD ANTLE, INC.	BEO-0462	469
CHANA'S AUTO SERVICE CENTER	BRO-0458	469
UNIVERSAL, INC.	BRO-0105	468
UNIVERSAL, INC.	BRH-0105	468
UNIVERSAL, INC.	BRD-0105	468
HORSEBLOCK EXXON CAR WASH/GAS	BEO-0452	468
IMPERIAL REFINERIES CORP.	BRH-0093	468
IMPERIAL REFINERIES CORP.	BRD-0093	468
JOC OIL, INC.	DRO-0404	462
AINSWORTH, OTIS	BRO-0552	462
ALLIED MATERIALS CORPORATION	BEA-0109	462
CRYSTAL PETROLEUM COMPANY	BRD-0023	462
W. T. BURTON INDUSTRIES, INC.	DEE-0886	461

SOUTHERN BELL TELEPHONE	DEE-8328	461
OAKTREE MINI MART	BEO-0570	461
ARNOLD'S ARCO & RENTAL	BEO-0560	461
UNION OIL CO. OF CALIFORNIA	DEE-5748	460
LAKE CHARLES REFINING CO.	BEA-0113	460
EXXON COMPANY, U.S.A.	BRH-0177	457
EXXON COMPANY, U.S.A.	BRD-0177	457
CITIES SERVICE COMPANY	BEL-0012	455
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MARATHON OIL COMPANY (ROCKET)	BEA-0127	455
CLARK, GARNER C.	BRH-0050	455
CITY OF LONG BEACH, CALIFORNIA	BXE-0341	453
LIBERTY HILL OIL CORPORATION	DEE-6132	447
ALPHA PARK PUBLIC LIBRARY	BEE-0322	446
DISTRICT OF COLUMBIA	DEE-8329	446
BRAEG SERVICE CENTER, INC.	BRO-0821	441
LAKE CHARLES REFINING CO.	BEE-0715	439
ROARDA, INC.	DEE-3342	435
ATLANTIC RICHFIELD COMPANY	BRD-0293	434
ATLANTIC RICHFIELD COMPANY	BRH-0293	434
ONYX CORPORATION	BEE-0013	432
WINSTON REFINING CO.	BEA-0151	429
MOBIL OIL CORPORATION	BEA-0155	427
LAKE CHARLES REFINING CO.	BEA-0154	427
ENERGY CORPORATION OF AMERICA	DRD-0238	427
ENERGY CORPORATION OF AMERICA	DRH-0238	427
LITE-NING AUTO, INC.	DEO-0379	425
MURPHY OIL CORPORATION	BRO-0984	425
AMERADA HESS CORPORATION	BRO-0985	425
EXXON COMPANY, U.S.A.	BEA-0161	422
MARATHON OIL CO./PALMER OIL CO	BEA-0162	422
MARATHON OIL COMPANY (TELFORD)	BEA-0163	422
MARATHON OIL COMPANY (FREEWAY)	BEA-0164	422
I C G VISTA PETROLEUM	BMR-0022	421
ALLIED MATERIALS CORPORATION	BEA-0172	421
BUXTON, F.M.	BRO-1004	421
MOBIL OIL CORPORATION	BEA-0170	420
MCMILLEN, DENNIS	BEO-0674	415
CEMENNO/KERDOON	BEA-0180	415
CEMENNO/KERDOON	BEA-0181	415
BUCK'S BUTANE & PROPANE SERV.	DEE-5546	414
A'S AUTO SAFETY SERVICE	BRO-1086	414
MORAGA SHELL	BRO-1088	414
MORAGA UNION	BRO-1089	414
ED'S EXXON	BRO-1029	414
BELL'S TEXACO SERVICE GARAGE	BRO-1087	414
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COOL FUEL, INC.	BRO-0076	413
ASHLAND OIL, INC.	BEE-0373	413
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PETRACO-VALLEY OIL & REFINING	BEE-0876	412
COLSTRIP TOWN PUMP	DEE-5883	411
SHELL OIL COMPANY	BEE-0889	406
BOUTIN, NORMAN	BRO-1136	406
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TRUE OIL COMPANY	BRH-0268	401
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DUGGAN, DON H.& FRANKS, JOHN	BRO-1142	400
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EASTERN OIL COMPANY.	BRA-0213	398
PETROLEUM PRODUCTS CORPORATION	DEE-2888	398
OKLAHOMA REFINING CO.	BEE-0526	397
GULF OIL CORPORATION (JIM'S)	BEA-0246	392
MILSON SERVICE CENTER	BEA-0390	392
MOBIL OIL CORP. (H.L. MILLS)	BEA-0237	391
HOBART CORPORATION	DEE-4459	390
MARATHON OIL COMPANY	BEA-0260	387
MARATHON OIL COMPANY	BEA-0261	387
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WESTERN REFINING COMPANY	BEE-0263	385
ANCORA-CITRONELLE CORP.	BRD-0434	384
ANCORA-CITRONELLE CORP.	BRH-0434	384
LAKETON ASPHALT REFINING, INC.	BEE-0583	379
GULF OIL CORPORATION	BRO-0211	377
MUTUAL OIL COMPANY	DEE-2576	372
AMOCO OIL COMPANY	BEL-0045	371
MOBIL OIL CORPORATION	BEA-0294	371
HILTON, WILLIAM R.	BRO-1152	370
AUSTRAL OIL COMPANY, INC.	BRH-0044	366
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MOBIL OIL CORPORATION	BRO-1148	366
TEXACO, INC. (CLARK)	BEA-0300	365
SOUTHERN COLORADO AGRI-FUEL CO	DEE-7079	362
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EXCEL CORPORATION	BRO-1155	359
EXXON COMPANY, U.S.A.	BEA-0319	357
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EDGINGTON OIL COMPANY, INC.	BEX-0042	351
U V INDUSTRIES, INC.	BEE-1085	350
BEACON OIL COMPANY	BEX-0051	349
MARATHON OIL COMPANY	BRO-0983	345
ARIZONA FUELS CORPORATION	BEX-0050	345
AMERADA HESS CORPORATION	BRD-0985	345
AMERADA HESS CORPORATION	BRH-0985	345
MARATHON OIL COMPANY	BRD-0983	345
MARATHON OIL COMPANY	BRH-0983	345
MURPHY OIL CORPORATION	BRD-0984	345
MURPHY OIL CORPORATION	BRH-0984	345

RICE-LINDQUIST, INC.	BRO-1163	345
RICE OIL COMPANY	BRO-1164	345
AINSWORTH, OTIS	BRD-0552	345
AINSWORTH, OTIS	BRH-0552	345
KEYSTONE FUEL OIL COMPANY	BRO-1166	344
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ICG VISTA PETROLEUMS, INC.	BEE-0638	338
BENSON-MONTIN-GREER DRILLING	BEE-1118	338
MID-AMERICA REFINING CO., INC.	BEE-1117	338
GETTY REFINING & MARKETING CO.	DEE-2098	337
MOBIL OIL CORPORATION	BEA-0344	335
ENERGY RESERVES GROUP	BRO-1144	331
WINDSOR GAS CORP.	BRO-1177	331
AYERS OIL COMPANY, INC.	BRO-1176	331
MOBIL OIL CORPORATION	BEA-0345	330
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CHEVY CHASE EXXON	BEE-0346	329
JERRY'S CHEVRON STATION	BRO-1147	327
CHEVRON U.S.A. INC.	BED-0056	327
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GULF OIL CORPORATION	BRZ-0039	324
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ADDITIONAL COMMITTEE QUESTIONS

Senator McCLURE. I have some further questions which I will submit for the record. I hope you can have responses to those questions within 2 weeks so we can close the hearing record. I will be doing the same to you, Mr. House. There are also some questions Senator Johnson has asked be submitted. They will be submitted and the responses will be made part of the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

Questions Submitted by Senator McClure

Fuels Conversion

Question: Because of the move to decontrol oil and the subsequent proposed phase-out of the Fuels Conversion activity, many have suggested the time is right to make drastic changes in the Fuel Use Act. Do you share this opinion and, if so, what changes would you make? If you do not share this belief, please explain your reasons why not.

Answer: We believe the operation of free market economic forces, not the Fuel Use Act program, drives fuel choice decisions by industry. The Fuel Use Act program has not caused any involuntary conversion. Only three powerplant units have converted to coal under the program in two years and they did so voluntarily. The Fuel Use Act program is presently under review within the Administration. We expect in the near future to propose changes to the Powerplant and Industrial Fuel Use Act in order to eliminate the program in a logical fashion.

Question: You indicate in your testimony that changes in the Act will, in fact, be made. What exactly does DOE plan in this regard and what is your time-frame for submission of those changes?

Answer: The Fuel Use Act program is presently under review within the Administration. We expect in the near future to propose changes to the Powerplant and Industrial Fuel Use Act in order to eliminate the program in a logical fashion.

Utility Programs

Question: Your fiscal 1982 request for the Utility Programs account is $5 million, a reduction of some $12.46 million from the 1981 funding level. You indicate in your justification that with this amount of funding you will concentrate on the Power Supply and Reliability activity, with a special emphasis on emergency response and contingency preparedness capability. Is this the only agency at DOE involved with emergency power supply activities? How are you different, for example, from the Emergency Preparedness Division, and why are you better able to accomplish these functions than they? How much coordination is there between you and other divisions at DOE in putting together your emergency plans. Please elaborate if you can.

Answer: The $5 million fiscal year 1982 budget request for the Power Supply and Reliability activity continues programs to assure an adequate, reliable, and cost-effective supply of electricity and reorients these programs towards emergency response and contingency preparedness. The program will continue to perform its various delegated legislated functions, including: analysis of electric utility plans and reliability, power supply interconnection analyses, international electricity transfers licensing, power wheeling (fuel-by-wire), programs for improving the performance efficiency of electric generating facilities, and programs to enhance or increase coordinated operations among electric utilities.

All of DOE's emergency electric power supply activities are organized under the new Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness. The Economic Regulatory Administration's Emergency Preparedness line item programs will also reside under this same Assistant Secretary to promote close coordination by DOE. The Power Supply and Reliability emergency functions will essentially involve emergency operations while the Emergency Preparedness line item activities will be responsible for emergency plans and scenario development.

Question: Can you answer the same question as it applies to state and local power supply activities as well as to other non-DOE Federal agencies such as the Rural Electrification Administration?

Answer: Within the DOE the new Assistant Secretary for Environmental Protection, Safety, and Emergency Preparedness (EP) will be the focal point for energy problems reported by states and local governments. EP will be maintaining contact and liaison with the various state and Federal agencies involved in coordinating energy emergency activities, and administering the Emergency Electric Power, Petroleum and Gas Administrations.

Question: Please provide, for the record, a brief but thorough description of each of your obligations under the Federal Power Act, Defense Production Act, and the various Executive Orders which may affect you. Apply this only to those functions for which you are requesting 1982 funds.

Answer: Statutory obligations for which the Power Supply and Reliability function is directly responsible are as follows:

Federal Power Act

- Section 202a
  Assurance of an adequate and reliable supply of electric energy. Includes the conduct of need-for-power reviews of utility power plant addition plans.

- Section 202(c)
  Order emergency electric interconnections and power transfers as appropriate (by petition or on own motion).

- Section 202(d)
  Approve temporary interconnection for emergencies for non-FERC jurisdictional utilities.

- Section 202(e) (also Executive Orders 10485 and 12033)
  Process Presidential Permits and licenses for electric power exports and international electric interconnections.

- Section 311
  Direct and conduct investgations regarding the generation, transmission, distribution, and sale of electric energy.

Public Utility Regulatory Policies Act

- Section 209
  Conduct a study on electric system reliability and standards; prepare an annual report which includes further reliability recommendations and utility actions; perform necessary follow-on studies.

Executive Orders 11490 and 12038

Transfers from DOI, FPC, and ERDA the responsibility to prepare national emergency plans and develop preparedness programs through a standby organization -- Emergency Electric Power Administration (EEPA). The EEPA program derives certain of its functional authorities from the Defense Production Act.

Statutory obligations for which other entities are responsible but which are supported by the Power Supply and Reliability function are as follows:

Atomic Energy Act

o Need-for-Power Reviews and some financial analysis.

Federal Power Act

o Section 206(b)
Investigate and determine cost of production and transmission of electric energy.

Public Utility Regulatory Policies

o Section 204
Conduct a study of power pooling.

o Section 210
Promote electric utility adoption of cogeneration, solar, and other renewable technologies.

Fuel Use Act

o Sections 211 and 212
Provide analytic support for electric reliability of financial exemptions.

Question: Can you briefly discuss DOE's role in what you describe as "international transmission and electricity export functions?"

Answer: The Department of Energy, in accordance with Executive Order 10485, analyzes applications for electric power transmission lines that are to cross international borders for the impacts of the proposed facilities on the adequacy and reliability of the electric power supply in the United States. Technical studies are required when major transmission facilities are proposed such that the impacts on the power system can be ascertained. Since an international transmission line can be used to import electric power, an analysis of impacts of the imports on the U.S. power supply is also made. Electricity exports to the foreign country require authorization under Section 202(e) of the Federal Power Act. These exports are usually authorized when the contract is negotiated between the U.S. utility and the foreign utility. These Federal authorities are similar to those in Canada and Mexico.

During the last three years, the Department of Energy, in conjunction with the governments and electric utilities of Canada and Mexico, has prepared and published an electricity exchanges study with each country. These publications identified opportunities for increased mutually beneficial electricity exchanges. The DOE role was essential in these analyses so that a national perspective could be presented. Follow-up actions to these intergovernmental publications are currently in progress.

Finally, the DOE provides the only Federal power system technical expertise in this international electricity area. The State Department, Department of Defense, and other governmental agencies, including the Congress, have requested and received technical assistance from this DOE office.

Question: What is the role of the various utility companies in this same area?

Answer: Electric utilities along the U.S./Canadian border operate on an interconnected basis in full synchronism. Electricity exchanges occur in accordance with established contracts on both a seasonal diversity and economy exchange basis. Most Canadian utilities are provincially owned and governmental policy is reflected in dealings with U.S. utili-

ties. Many Canadian electric utilities are members of the U.S. electric reliability councils. Several U.S. utilities are currently negotiating with Canadian utilities regarding additional mutually beneficial electricity exchanges. The electric power interface with Mexico's Commision Federal de Electricidad is much less sophisticated; however, discussions with U.S. utilities are in progress regarding additional exchanges.

Question: Are your required to file an environmental impact statement for the transmission of electricity across international borders? (If so, why? How many have been conducted over the past four years and what has been the cost of each?)

Answer: Each application for an international electric power transmission line is evaluated for its impact on the power system adequacy and reliability in the United States. If the facility is considered major (generally 230,000 volts or above) and there will be a significant amount of construction required, an environmental impact statement may be necessary. If it appears that a proposed project will not have a significant impact on the human environment, an environmental assessment, a much less extensive review, is made. An environmental impact statement is not required if the environmental assessment concludes that the proposed project will not have a significant environmental impact. Thirteen applications for Presidential Permits have been received. Five of these transmission facilities were determined to require a Federal environmental impact statement. Three of these statements are complete and two are in process. The following is a list of the applications received, the environmental action and the approximate cost of the environmental impact statement when prepared:

EIS's Prepared by DOE for Presidential Permits

Date Completed	Applicant/Project	Preparer	Cost
1979	Basin Electric Power Cooperation	DOE adopted REA EIS	N/A
1979	Northern States Power Co.	Argonne Lab.	$125,000
1980	San Diego Gas & Electric	Livermore Lab.	37,000*
Ongoing	Nebraska Public Power District	Argonne Lab.	150,000+
Ongoing	General Public Utilities	Argonne Lab.	140,000+

*DOE's share of cost; funding was provided 50 percent DOE, 50 percent California Public Utilities Commission.

+Estimated.

Presidential Permits Issued by DOE

Date	Issued to	New/Modification
1979	Northern States Power	New
1979	Basin Electric Power Coop	New
1979	Citizens Utilities Company	New
1979	North Central Electric Coop	New
1980	Power Authority State of N.Y. (PASNY)	Mod
1981	San Diego Gas and Electric	New
1981	Vermont Electric Coop	Mod
1981	Minnkota Power Coop	New
1981	Puget Sound Power and Light	Mod
Pending 1981	Arizona Public Service	Mod
Pending 1981	PASNY	New
Pending 1981	Nebraska Public Power District	New
Pending 1981	General Public Utilities	New

Question: In your opinion, is an EIS impact necessary or desirable in this circumstance?

Answer: Executive Order 10485 specifies that permits are required for the construction, operation maintenance or connection at the borders of the United States. A permit only authorizes the supporting structure on the U.S. side and the crossing span of conductors. The National Environmental Policy Act of 1967 requires the preparation of environmental documents if the construction of the proposed facility has the potential for impacting the human environment significantly. The law provides that all facilities associated with the proposed facility must be included in the environmental evaluation. These statutory requirements have been interpreted to require environmental evaluations of a facility from the international border to its terminal in the United States.

Question: What does your agency consider a "unique" power disruption? How does it compare to a "nonunique" regular power disruption?

Answer: The Secretary of Energy has the responsibility for monitoring major electric system emergencies. A reportable electric system emergency can involve: an appeal to the public to reduce the use of electricity for reasons of maintaining the continuity of service, a power supply equipment failure or other event that constitutes a hazard to the current or prospective adequacy and/or reliability of an electric power system, an intentional significant reduction in system voltage, a continuous outage of three hours or longer to over 50,000 customers of a utility, or the ordered shutdown of a generating unit greater than 400 megawatts. There are usually over 100 reports of these types made to DOE each year. Special investigations are only done when DOE determines that the emergency situation was "unique." Since the formation of DOE, there have been eight investigations of such "unique" events.

Power system disturbances/outages are usually judged to be unique when it appears that socieo-economic impacts on the involved citizens are significant, when the event is repetitive in nature, or when there appears to be a number of similarities among the apparent causes.

For example, there were a number of extended electric power outages in the 1977-78 winter as a result of ice accumulations on trees and local electric distribution facilities. Press reports indicated significant disruption to the community life styles in New York, Illinois, Texas, and Oregon. Also, the restoration of service was accomplished more rapidly in some situations than in others. The combination of these events, the variation in impacts and restoration time was determined to be unique. Utilities operating in Florida experienced a number of load shedding incidents within the first seven months of 1979 as the result of the sudden outage of large generating units. The repetitive nature and the unknown socieo-economic impacts of these load shedding incidents caused them to be unique. A number of outages in Boston during a three month period in 1979 as a result of high voltage cable failures were determined to be unique. The recent total system blackout affecting the state of Utah appears to have been caused by an unusual occurrence. The electric system performance following this event, including the lack of sufficient emergency operating procedures by the involved utility, made this event unique.

DOE analysis of these and similar events are initiated when it is felt that the conclusions will provide new technical knowledge for industry, prevent a recurrence, mitigate the impacts of the event, or provide a necessary independent review for the Federal Government of the emergency situation.

Question: You indicate your intention to expand monitoring of power system transfers to evaluate performance and encourage oil displacement via this mechanism by as much as 25,000 to 50,000 additional barrels per

day. Are these figures theoretical or are they based on past experience? What is the time frame for achieving such savings?

Answer: The attainment of additional barrels of oil per day savings in electric utility consumption by the use of increased electricity transfers is based on a real-time monitoring that confirmed actual transfers. During the high load period this past summer, the electric utility industry, in cooperation with the Department of Energy, performed an actual three-day monitoring test of electricity transfers for most of the U.S. Power Grid. The values presented (e.g., 25,000 to 50,000 additional barrels per day) were based on both the findings of this test and a DOE analysis of remaining tranfer energy availability. The Department of Energy will continue to monitor the industry fuel oil savings through such electricity transfers. The information gathered through this ongoing monitoring has been utilized to further confirm theoretical attainment levels, identify regions where greater levels can be achieved, and identify equipment and contractual constraints to greater achievement.

Such savings can be achieved in about three or four months. The relative level of additional savings achieved will depend on economic conditions and the degree of fuel disruption or other electric operating emergencies.

Question: Similar to the previous question, you suggest that you intend to continue power plant activities that will result in savings of 300,000 barrels of oil per day by 1990. Again, is this figure theoretical or has it been shown to be achievable?

Answer: In February 1978, the Department of Energy published a report entitled "Study of Benefits of Improved Power Plant Reliability and Productivity." The study was conducted by the General Electric Company, under contract to DOE, in two phases. The results of this study included estimates of a theoretical 10 percent possible improvement by 1990 in outage rates of nuclear and base load coal units. This would be equivalent to 300,000 barrels of oil/day savings by electric utilities. The report was based upon an analysis of three actual electric utility systems that have wide differences in generation fuel mix. The simulated benefits were quantified using models of each of the utility systems, as well as models for two larger multistate regions within which the utility systems operate. The electric utility participants in the study were the Detroit Edison Company, the New England Power Pool, and the Northeast Utilities Company. The objective of the study was to analyze the potential benefits within the framework of the then existing utility generation operating practices.

he study estimates have been shown to be achievable through the analysis of the actual performance of many generating units. The most recent data presented by the Edison Electric Institute show that many of the nation's larger nuclear- and coal-fueled electric generating units are available over 70 percent of the time, whereas many others are available less than 60 percent of the time. This level of capacity factor depicts the large potential for improvement.

Recently, DOE conducted an analysis of the potential oil savings that could be achieved by improving the availability of non-oil-fired generating units. The improved availability was presented as increases in capacity (the output level). The analysis showed annual savings of over 250,000 barrels of oil/day could be achieved by 1985 through increasing the capacity factors of nuclear- and coal-fired generating units by just five percent. These estimates were made most conservatively and based on a 60 percent average capacity factor for all generating units greater than 400 megawatts. The performance data show many large units have capacity factors greater than 70 percent. Such higher levels of capacity factors are achievable for many other generators.

Question: In your professional opinion, does this budget for Utility Programs represent the best use of available funds, or would you have funded other programs which have been proposed for termination or which may have been new starts?

Answer: The Power Supply and Reliability program is needed to ensure an adequate and reliable supply of electric power, especially during energy emergencies. Elimination of the other activities from the budget, a decision made in consultation with OMB, was based on the rationale that there will be minimal need after FY 1981 for activities to carry out the Public Utility Regulatory Policies Act (PURPA). State compliance with PURPA will be essentially complete by the end of the current year. The Department is presently reviewing alternative program strategies for advancing any national interest which may continue to be at stake in the decisions of state utility commissions, with particular attention to encouraging state regulatory policies that ensure reliable, least-cost utility service. The DOE concern in this regard stems from the recognition that state regulators determine the price of utility service and, therefore, have a major impact on future supply and demand.

Compliance

Question: For the record, please provide current figures for the following two items: (1) The total amount of overcharges, by type, identified since price controls were imposed in 1973, and (2) The total number of violations that have been settled, the amount of the settlement, and the amount actually paid. Please also indicate the dollar distribution by refunds to consumers, reduction in bank levels, price reductions, investment in research and development, and other payments.

Answer: As of March 31, 1981, a total of 284 compliance actions amounting to $10,460,455,965 have been issued by the Office of Special Counsel for alleged major refiner violations of the EPAA regulations. The inserted chart, "Recap of All Issued Compliance Actions" details this by violation type, major refiner and amount. Inserted charts, "Closed Compliance Actions" and "Outstanding Compliance Actions" show in detail the $2,092,990,621 worth that has been closed and the $8,367,465,344 that remains outstanding. The inserted chart, "Office of Special Counsel Settlements" depicts the settlement amounts as of March 31, 1981, by company and type of remedy.

For the Office of Enforcement's non-major refiners activity, the total amount of overcharges, by type, identified since July 1, 1974, is shown in the following chart. Also reflected are the total number of violations that have been settled and the amount of the settlements. The office has completed 26,000 audits, to date.

Office of Enforcement
Total Overcharges Identified
07/01/74-03/31/81

Program	Amount
Crude Producers	$ 223,706,485
Crude Resellers	864,727,663
Small Refiners	806,561,921
Entitlements	225,399,922
NGL Processors	754,672,483
Refined Product Resellers	359,610,091
Refined Product Retailers	63,804,059
Total	$3,298,482,624

NOTE: Includes over $10 million in penalties. Excludes data from the Retail Gasoline Project.

For the period 07/01/74 - 03/31/80, the Office of Enforcement settled 10,455 violation cases totalling $677,186,720 in overcharges. The distribution of this amount is as follows:

Refunds	$156,255,343
Rollbacks	120,161,351
Bank Adjustments	201,854,496
Payments to Escrow Account	186,724,076
Payments to U.S. Treasury	1,633,022
Penalties	10,558,432
Total	$677,186,720

Question: Also, for the record, please provide your speculation of these same numbers for all of fiscal 1982, assuming your budget request remains as is.

Answer: The FY 1982 proposed budget of $11.9 for EPAA enforcement activities together with the proposed carryover of $16.2 million of unexpended FY 1981 funds, if approved by Congress, will enable the Office of Special Counsel to pursue a significant number of major cases it has brought against major refiners. It will enable the Office of Enforcement to focus on the resolution and litigation of top priority special investigations, crude oil reseller cases and other significant cases involving potential violations.

We intend to complete most of the audit work by the end of FY 1981, and during FY 1982 shift our emphasis to concentrate on negotiating settlements and litigation when necessary. The Office of Special Counsel anticipates that it will be able to negotiate settlements with five companies during FY 1982. It is speculated that approximately $225 million ($150 million in refunds to purchasers and $75 million to the U.S. Treasury) would be secured as a result of negotiated settlements. In light of termination of price controls, the price rollbacks and reductions of banked costs would not normally be considered appropriate forms of remedial compensation. During FY 1982, the Office of Special Counsel projects it will be able to pursue aggresively 32 cases involving approximately $4 billion in gross violations. The Office of Enforcement anticipates it will begin FY 1982 with approximately 400-600 cases and strive to resolve the vast majority of these cases in FY 1982 through negotiated settlements.

It is not possible to predict, with any degree of accuracy, the total dollar figures associated with settlement of cases in FY 1982, due in part, to the fact that many audits have not yet been completed.

Government Escrow

Question: How does the Department of Energy intend to distribute money (anywhere between $157 and $500 million) which is now being held in one or more escrow accounts? Could you provide for the record a detailed description and accounting of all those escrow accounts where money is being held and inform the Committee as to the legal status of those funds? Similar to a previous question, what role has the Office of Management and Budget played in deciding what to do with this money?

Answer: As of March 31, 1981, the Office of Special Counsel placed $68,954,400 in an escrow account which is under the custodialship of the DOE Controller. By June 19, 1981, an additional amount of $51,120,000 is expected to be added to this account. The Office of Enforcement has about $150,000,000 on deposit in escrow accounts. All but $1,000,000 of this amount is in a U.S. Treasury escrow account.

In regard to the distribution of these funds, both the Office of Special Counsel and the Office of Enforcement are petitioning the Office

of Hearings and Appeals under Subpart V of its regulations for implementation of special refund procedures in all cases where funds are designated for escrow, except for the $27,635,471 from a Getty Oil Company Consent Order for which the method of distribution is yet to be determined. The Office of Management and Budget has had no role in the Special Counsel's and Office of Enforcement's handling of these funds.

Question: What are DOE's plans for reorganizing the ERA and what impact will these plans have on the compliance activities within the Office of Enforcement and Office of Special Counsel?

Answer: The Economic Regulatory Administration (ERA) has been reorganized to reflect the decontrol of crude oil and petroleum products, the orderly phase out of programs to be eliminated in FY 1982, the tranferral of emergency preparedness functions to the new Office of Environmental Protection, Safety and Emergency Preparedness, and the continuation of ongoing ERA functions.

Remaining in ERA is the Office of Special Counsel, the Office of Enforcement and certain other ERA functions, such as the natural gas import/export program, and the oil imports program. The ERA reorganization has no impact on compliance activities.

ERA activities being transferred to the new Office of Environmental Protection, Safety and Emergency Preparedness include the Utility Program's power supply and reliability activity, the Emergency Preparedness Program, and the market price and supply analysis functions of the Petroleum Operations Program.

- The decontrol of crude oil and petroleum products has eliminated the need for the complex regulatory program that has been in effect for the past seven years. We are proposing the orderly phase out of several ERA activities.

- The Administration plans to phase out the Powerplant and Industrial Fuel Use Act program. The Fuel Use Act has not caused any involuntary conversions, and the increasing cost of oil has made coal conversions economically viable without unnecessary governmental involvement.

- Many of the activities in the utility sector that have been carried out under the Public Utilities Regulatory Policies Act will be completed by the end of FY 1981. A Federal role of this nature is no longer required since further progress in rate reforms and related conservation initiatives will be undertaken by the utility sector drawing on their own recent experiences and the body of information, pilot projects, and demonstrations developed by this program over the years.

Question: When does the Department propose to begin the reorganization of ERA, before or after Congress has decided on funding for compliance activities?

Answer: The ERA reorganization was effective on May 8, 1981.

Question: Would you please notify this Committee prior to the release of any personnel within the Office of Enforcement and Office of Special Counsel in order that we might be kept apprised as to DOE's plans for this controversial matter?

Answer: We would be pleased to notify the committee as to the specific dates for release of compliance personnel, when finalized.

Petroleum Operations

Question: The fiscal 1982 budget request of $3.6 million for Petroleum Operations seems to reflect, for the most part, a continuation of the

study, review, advice and analysis work performed in the past. You will not, of course, be administering price and allocation programs under the Emergency Petroleum Allocation Act, yet your justification indicates that the entire reduction of $9.635 million from FY 1981 reflects only the expiration of EPAA. This seems like a severely disproportionate share of the funding, wouldn't you agree? Perhaps you would care to comment on this. Would you provide, for the record, a breakdown cost of each individual activity within the Petroleum Operations account for fiscal years 1979, 1980 and unrevised 1981?

Answer: The administration of a pricing and allocation controls program, which involved thousands of individual cases, required staff in all ten regional offices, and the backup of extensive data systems, has accounted for the major portion of the resources of the Petroleum Operations program. Also included in the $9.635 million are the marketing analysis and regulation development activities associated with the pricing and allocation programs.

The administration of the other ongoing Oil Imports and Natural Gas programs, such as monitoring of crude oil and product imports by the issuance of licenses, reviewing and approving of applications to import natural gas and liquified natural gas, intervening in FERC proceedings and proposing rule changes to the FERC, require by comparison a much smaller Petroleum Operations program budget.

Petroleum Operations ($ In Million)	FY 79	FY 80	Unrevised FY 81	FY 82
Oil Imports	.9	.9	1.1	1.1
Crude Oil and Product	5.6	4.1	5.6	.5
Marketing Analysis	.8	5.8*	4.4	.9
Natural Gas and Policy	2.7	2.3	2.1	1.1
Total	10.0	13.1	13.2	3.6

*Regional functions were transferred from the Product Division to the Petroleum Market Analysis Division in FY 1980.

Question: Can you explain for the Committee why oil import license fees were suspended in April of 1979?

Answer: On April 6, 1979, when world crude prices were rapidly increasing because of the Iranian revolution, the President issued Proclamation 4655 (44 FR 21243, April 10, 1979) which suspended license fees and tariffs on imports of petroleum and petroleum products. The President determined that the imposition of such fees "would not be in accordance with the purpose of the Proclamation" (Proclamation 3279 which establishes the Mandatory Oil Import Program) given the then "prevailing market shortages and price conditions."

Question: Will they be reinstated as a final phase of your oil import program? Can you briefly explain the rationale in reaching this decision?

Answer: The Mandatory Oil Import Program, as authorized by the Trade Expansion Act, is presently under review by the Administration. A decision has not yet been made whether or not to reimpose import fees.

Natural Gas Import/Export

Question: Similar to my earlier question, is it truly necessary or desirable to conduct Environmental Impact Statements for the natural gas import-export programs?

Answer: Since the authorization of a natural gas import or export may be a major Federal action significantly affecting the quality of the

human environment, ERA is required pursuant to the National Environmental Policy Act to conduct any necessary environmental assessments or impact statements before an authorization may be granted. Such environmental review can range in complexity from the impact on air quality of displacing fuel oil use by natural gas imports to the effects of construction of new facilities to receive and regassify liquefied natural gas.

Question: Is the $250,000 requested for this activity sufficient to conduct these EIS's?

Answer: Based on our previous experience and the fact that we are not expecting in FY 1982 any LNG applications that will involve building new terminal facilities, $250,000 will be sufficient for this activity.

Question: Why is the EIS work proposed for contract rather than done in-house?

Answer: Depending on the nature and complexity of the necessary environmental review, persons with widely different experiences are needed; the use of contract support is more cost effective.

Program Administration

Question: Under the Program Administration account, can you explain for the Committee why your funding amounted to just 2.7 percent of the 1981 funding level while your proposal of $1.5 million for 1982 amounts to some 6.25 percent of the total $24 million funding level?

Answer: The positions assigned to this activity are being reduced by 71 percent from FY 1981 to FY 1982. The funding level of $1.5 million is being proposed in order to fund the level of staff years associated with the reduction from the higher level of FY 1981 positions. The FY 1982 budget level for the Program Administration account represents the resources required to effectively manage and direct the programs administered by the ERA. Funding for this program has been reduced by 57 percent below the FY 1981 level and is the base amount necessary to provide adequate financial and personnel support program analysis, evaluation and coordination, and other management and administrative support.

Questions Submitted by Senator Hatfield

Fuels Conversion

Question: In 1978, Congress enacted the Powerplant and Industrial Fuel Use Act, the focus of which was to reduce United States dependency on oil and natural gas. The law specifically provides for temporary exemptions, allowing use of natural gas for reasons ranging from emergency conditions to the unavailability of natural gas. Yet the Department of Energy's Coal Conversion Program, responsible for the processing of such exemptions, will be eliminated under the President's 1982 budget. How do you anticipate accommodating these avenues of relief as provided under the Act?

Answer: The budget request is premised upon the Fuel Use Act being amended to eliminate these prohibitions. We plan to phase out the discretionary regulatory activities in FY 1981. The Department of Energy is currently conducting a comprehensive review of the Act to determine specifically what legislative revisions it will seek in order to terminate the Fuels Conversion program in a logical fashion.

Question: It is my understanding that the Act expressly permits citizens to bring suits to compel the Secretary to fulfill his responsibi-

lities to assess the various civil and criminal penalties as provided under the Act. How will the proposed budget impact this provision?

Answer: The budget request assumes that the mandatory prohibitions will be repealed. The authority to order existing facilities to convert to alternate fuels is discretionary and not subject to such legal action. We plan to phase out the discretionary regulatory activities in FY 1981.

Question: How many applications for exemptions have been approved to date? Please provide, for the record, the tabulation of expiration dates for those exemptions which have been approved, as well as the applications received, but not yet acted upon.

Answer: As of April 22nd, the Department has granted 1,069 exemptions to utilities. The attached tables provide a list of the number of temporary exemptions that have been granted along with the year and month in which they expire (Table 1); a list of the powerplant permanent exemptions that have been granted (Table 2); and a list of the powerplant exemption petitions now pending before the Department (Table 3).

Question: What are the agency's projections of the number of applications which may be received over the next year? Please provide for the record your estimation of personnel and funds required to process those anticipated applications.

Answer: Very few petitions are expected from the industrial sector since it is responding to the economics of the marketplace and choosing coal and alternate fuels as opposed to oil and gas for new facilities. Over the past year, we received exemption petitions for approximately 100 powerplants. This is in addition to those received for Special Temporary Public Interest exemptions. Meetings held with a number of utilities during the past year lead us to expect that petitions for about 50 powerplants will be submitted during the next fiscal year. Of this number, about 20 are expected to be for peakload exemptions.

With regard to the Special Temporary Public Interest exemption program, the volume of petitions received has diminished over the past six months and a conservative estimate is that the Department will receive approximately 50 additional petitions in this program during fiscal year 1982.

It should be noted that 39 utility systems have also chosen to pursue the electric utility system compliance option authorized by Title V of the Fuel Use Act. Should these compliance plans be approved by the Department, exemption processing requirements could be lessened.

Table 1

SPECIAL TEMPORARY PUBLIC INTEREST EXEMPTION
UNIT EXPIRATION DATES

MIDDLE DISTILLATE

1984								1985					
MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
358	24	66	12	9	17	2	1	6	21	44	13	5	24

LOW SULFUR RESIDUAL

1981	1982		1983	
DEC	JUN	DEC	APR	DEC
79	15	29	11	16

HIGH SULFUR RESIDUAL

1981		
OCT	NOV	DEC
123	17	161

Table 2

PERMANENT EXEMPTIONS GRANTED

Company	Station/Unit	Effective Date
Modesto Irrigation District	McClure 1	7/5/80
	McClure 2	3/6/81
Florida Power Cooporation	Suwannee 1, 2, 3 and 4	7/5/80
Massachusetts Municipal Wholesale Electric Company	Stony Brook 1 and 2	11/11/80
Puget Sound Power and Light Co.	Whitehorn 1 and 2	12/2/80
Georgia Power Company	Wansley 5A	1/16/81
Southern Indiana Gas and Electric Co.	Broadway 2	3/6/81
Great Western Malting Company	Cogeneration 1	5/4/81
Owatonna Public Utilities	Owatonna 7	5/16/81
Nevada Power Company	Clark 7	5/11/81
Soyland Power Cooperative	CAES 1	6/23/81

Table 3

PENDING EXEMPTIONS

Orlando Utilities Commission	Lake Highland 1, 2, 3, 4, 21 and 22	Temporary
Greenwood Utilities	Wright 2	Permanent
New Smyrna Beach	Swoope 1	Permanent
Jacksonville Electric Authority	Northside 1, 2, 3, CT3, CT4, CT5 and CT6	Temporary
Jersey Central	Gilbert 4, 5, 6 and 7	Temporary
Wisconsin Public Service	Weston 31 and 32 Marinette 31 and 32	Permanent
Imperial Irrigation District	Rockwood 2	Permanent
Puget Sound Power & Light Co.	Frederickson 1 and 2	Permanent
Southern California Edison Co.	Lucerne Valley 1 thru 20	Permanent
Nevada Power Co.	Clark 8	Permanent
Missouri Public Service Company	Ralph Green 3	Permanent
Gulf States Utilities Company	Roy S. Nelson 7 and 8	Permanent
Gulf States Utilities Company	Roy S. Nelson 7	Temporary
Community Public Service Company	Lordsburg 3	Temporary
Department of Public Utilities	Hamilton 7, GT1 and GT 2	Temporary
Consolidated Edison Co. of New York Inc.	59th Street 13, 14 and 15	Temporary
Pacific Gas and Electric Co.	Oleum 1 and 2 Pittsburg 4	Temporary Temporary
Arkansas Power and Light Co.	Hamilton Moses 1 and 2	Temporary
City of Coffeyville	Municipal 3 and 4	Temporary

Questions Submitted by Senator Andrews

Emergency Preparedness

Question: I note that the Administration's budget for the Economic Regulatory Administration in Fiscal Year 1982 is $24,000,000. Will this budget level permit the Department to retain a staff of experienced and competent personnel to implement programs designed to deal with petroleum disruptions? If so, how many people will be available for such a purpose?

Answer: The programs of the Economic Regulatory Administration have been reorganized during FY 1981 to reflect the decontrol of crude oil and petroleum products; to effect an orderly phase-out of the programs to be eliminated in FY 1982; to transfer the emergency preparedness functions to the Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness; and to provide for on-going ERA functions.

Of the $24 million cited in the ERA budget, $7.9 million is associated with emergency preparedness activities and will be transferred to the new Assistant Secretary for Environment Protection, Safety and Emergency Preparedness. An additional $2 million from the DOE Conservation and Solar budget will be allotted to provide technical assistance to the States in their planning activities. We believe that this combined amount is sufficient to retain a staff to design and implement emergency preparedness programs. During emergencies, this staff could be quickly augmented, if necessary, by drawing upon the resources of other DOE elements and other Federal agencies. The number of positions devoted to the planning process for FY 1982 will be 115.

Question: The National Petroleum Council's recommendations concerning standby allocation programs indicate that a crude oil distribution program would not be implemented until the shortfall reached 2-3 million barrels per day. Mr. Secretary, do you think that the nation's petroleum distribution system can deal with shortfalls up to that magnitude without any redistribution of crude oil (the Arab oil embargo in 1973-74 was 2.2 million barrels per day)?

Answer: The Nation's experience for the past seven years has indicated that Federal price and allocation controls were counterproductive in dealing with energy emergencies. We believe that the marketplace rather than government regulation is better able to allocate supplies of a scarce commodity. Our analysis, to date, indicates that the distribution system could manage shortfalls up to 2 million barrels per day without government-mandated distribution of crude oil. We are currently evaluating the effectiveness of various administrative actions that could be used to mitigate the effects of a disruption.

Question: On September 30, 1981, the EPAA expires and most authorities which deal with energy supply disruptions will disappear. What is the DOE doing to develop effective post-EPAA authorities?

Answer: In conjunction with its evaluation of emergency response strategies, the Department is reviewing the question of needed energy emergency authorities. This review is on a timetable that will be compatible with possible legislative proposals prior to September 30.

Questions Submitted by Senator Byrd

Fuels Conversion

Question: The situation portrayed in the Carter Administration budget justifications are seriously at odds with the situation as portrayed by the Reagan Administration witness. The Carter Administration justi-

fications state that 22 million tons of coal a year will displace 235,000 barrels of oil a day in 48 facilities in the short run. In the long term, this program will displace between 600,000 and 1.2 million barrels a day by utilizing 50 to 100 million tons of coal. This hardly sounds like the same program described by the Reagan Administration witness. Explain.

Answer: This Administration firmly believes that most of the above fuels switching will occur without major federal interference in the marketplace. With few exceptions, if any, the conversions that have already occurred would have occurred without the expense and regulatory burden of government involvement. The economics governing fuel choice have changed dramatically since the enactment in 1974 of the first federal legislation to force coal conversion. In the utility area, which is highly regulated, certain preferential Clean Air Act treatment is accorded "ordered" conversions. Because of this, we are temporarily continuing through FY 1981 some activity with utilities that want to voluntarily convert. The Department is reviewing the Fuel Use Act and the Fuels Conversion Program to determine what legislative revisions it will seek.

Question: If the Office of Fuels Conversion is not funded in fiscal year 1982, how will the pending applications be processed?

Answer: The fiscal year 1982 budget request was based upon an assumption that Fuel Use Act prohibitions would be repealed. The Department will, however, fulfill all statutory obligations existing in FY 1982 within available resources.

Question: Here we have a program that costs very little in Federal funds and which could greatly reduce U.S. dependence on foreign oil and enhance this Nation's economic and defense posture. Moreover, it is my understanding that a number of utilities want to convert from oil to coal, but their ability to convert depends on being ordered to convert by the Federal Government in order to take advantage of special provisions under the Clean Air Act. How do you justify abandoning this program in view of my comments above, and especially my comments relating to the Clean Air Act and our defense posture?

Answer: We realize that there is special treatment accorded "ordered" conversions under the Clean Air Act, and we are reviewing the Fuel Use Act and the Fuels Conversion Program with this in mind. We are convinced that the economics of fuels choice resulting from decontrol provide the incentive to convert facilities to coal operation and that federal mandates are unnecessary as well as costly and burdensome.

Question: If you abandon this program of converting from scarce foreign oil to abundant supplie of U.S. coal, what, if anything, do you plan to put in its place?

Answer: We want to make it very clear that we are not abandoning the national imperative to convert utilities and industry from dependence upon imported oil to domestically abundant coal and other alternate fuels. Our position is that the free enterprise system is the most appropriate and best mechanism for ensuring that cost-effective conversions do occur. We are carefully reviewing the Fuel Use Act and Fuels Conversion Program and expect to propose legislative revisions in the near future.

Question: If the Fuels Conversion program is abandoned, can you guarantee that the same number of conversions would take place anyway?

Answer: No one can offer that kind of absolute guarantee. However, we firmly believe that most of the conversions that would occur in the presence of a federal order would also take place without a government mandate; experience with federal conversion programs support this.

Questions Submitted by Senators Byrd and Huddleston

Fuels Conversion

Following your testimony before the Senate Appropriations Committee, Subcommittee on Interior and Related Agencies, we still have some very real concerns about the Administration's proposal to terminate the mandatory fuels conversion program, particularly given the absence of any specific policy to take its place.

You indicated in your testimony that there are 40 conversion orders pending for electric utilities, and 10 for federal facilities which, if finalized, would back out approximately 400,000 barrels of oil per day. You indicated further that you are expediting your procedures to finalize orders.

Question: Specifically, what steps are you taking to finalize these orders?

Answer: As indicated, we believe that most of these conversions will occur regardless of whether the Department of Energy finalizes the pending prohibition orders. This is because the economics of fuels choice has changed substantially in favor of coal since the passage of the Fuel Use Act. The oil/coal fuel price differential to utilities has increased threefold in the last two years alone. What we have been doing in DOE is to focus our staff and contract resources on those conversions where we can complete, by the end of this fiscal year, environmental analyses to a point where states and other parties can assimilate and use this information in their licensing and permitting activities. We are also pursuing those conversions where preferential Clean Air Act treatment, such as delayed compliance orders (DCO's), is contingent upon the Fuel Use Act process.

Question: Are you concentrating your efforts on the most promising conversion candidates, specifically those utilities which have indicated a desire to convert to coal?

Answer: Yes, we are continuing activity on only those conversions where utilities are cooperative and are seeking to voluntarily convert to coal operation.

Question: Are you streamlining the preparation of environmental impact statements, and using the abbreviated environmental assessment whenever possible? If yes, please elaborate on exactly what it is that you are doing. If not, please explain why not.

Answer: Prohibition orders are major federal actions in the context of NEPA, and we must comply with the statute. This does not always mean that an EIS is required. The question of the appropriate level of review (either an environmental assessment or a more formal environmental impact statement) is totally dependent on the potential for significant impact as a result of the government action (issuance of a final conversion order). DOE always makes maximum use of the more streamlined assessment process in those cases where the potential for significant impact is low. It has consistently been DOE's policy to prepare environmental review documents which satisfy the necessary review requirements of all levels of government--Federal, state and local. We work closely with other agencies to ensure that the documents address their concerns to the maximum extent practicable. DOE believes this coordinated approach to environmental review will lead to earlier conversions, than if fragmented and often duplicative reviews are performed independently by the various agencies.

Question: Are you streamlining your existing administrative practices? If so, in what way?

Answer: We are conducting a thorough and comprehensive review of the regulations and administrative procedures to determine how they can be streamlined, consistent with statutory requirements, to reduce the burden on utilities and industry and expedite processing. Currently, our effort is focused on simplifying and steamlining the exemptions process. To the maximum extent possible, we will propose to use company certification as a basis for our findings. We should be issuing a Notice of Proposed Rulemaking in the very near future to simplify and streamline all of our new facility regulations. We have already taken steps, within our current regulations, to reduce burden and expedite the processing of exemptions. For example, we are limiting the number of alternate fuels we require petitioners to examine when they apply for an exemption.

Question: Even under expedited procedures, did we understand you correctly that it will be impossible to finalize any orders before funding for the program runs out at the end of this fiscal year?

Answer: It is possible, provided an EIS is not required, that we could finalize orders to four units at one utility generating station, and we are working towards that now. However, it unlikely that any others will be finalized by the end of the current fiscal year.

While we agree that in many cases the economics clearly favor coal, we are still left with regulatory obstacles and capital constraints to coal conversion. Currently, some regulatory relief is available under the Clean Air Act to units which are mandated to convert under a governmental conversion order.

Question: Specifically, what regulatory relief will the Administration propose in the absence of a mandatory program? When can we expect this relief to be forthcoming? Wouldn't it be reasonable to maintain the current program within DOE until these changes are made?

Answer: The Fuel Use Act is presently under review within the Administration. We expect in the near future to propose changes to FUA in order to eliminate the program in a logical fashion. Our position is that cost-effective conversions do occur. The fiscal year 1982 budget request was based upon an assumption that Fuel Use Act prohibitions would be repealed. If these amendments are not accomplished, we would have to continue the processing of petitions for exemption, which is a nondiscretionary function of the Act. The authority to order existing facilities to convert to alternate fuels is discretionary and not subject to legal action; we plan to phase out the discretionary regulatory activities in FY 1981.

Question: What level of funding and personnel would be required to keep the program operational?

Answer: The level of funding and personnel that would be required depends on the manner in which the Administration and/or Congress wish to conduct coal conversion activities in the future. The Administration has requested no funding for this program in FY 1982 since it believes the operation of free market economic forces, not the FUA program, drives fuel choice decisions by industry.

ADDITIONAL COMMITTEE QUESTIONS

OHA Staff Breakdown

Question: Please provide a breakdown of the proposed FY 1982 staff levels by activity and subactivity.

Answer: The National Office of Hearings and Appeals includes Offices of Legal, Economic and Financial Analysis. There is a degree of specialization along these lines, particulary at the levels of Deputy and Assistant Director. However, these divisions do not reflect completely specialized staffs. Instead, each staff must possess a variety of skills in order to respond to workload demands. The applications filed with the Office tend to present a combination of financial, legal and economic issues which in turn require a multi-disciplinary analytic approach. Consequently, full specialization on a "subactivity" basis has not been found to be effective. The FY 1982 budget contemplates 125 full-time positions of which 15 will be located in OHA's regional centers. Of the remaining 110 positions, 31 will be assigned to the Office of Legal Analysis, 31 will be assigned to the Office of Economic Analysis, 30 to the Office of Financial Analysis and the remaining 18 divided between the Office of the Director and the Office of Management Operations.

Question: Please provide a breakdown of the proposed FY 1982 budget for each component of the Office of Hearings and Appeals.

Answer: Of the $4.5 million budget requested for FY 1982, the Offices of Legal, Financial and Economic Analysis would require $1,215,000, $1,160,000 and $1,075,000, respectively. The regional operations of the Office of Hearings and Appeals are budgeted at a level of $430,000 while the Office of the Director and the administrative operations of the Office are budgeted for $620,000.

SUBCOMMITTEE RECESS

Mr. HOUSE. Thank you.

Mr. BREZNAY. Thank you.

Senator MCCLURE. Thank you very much. The subcommittee is recessed until 9 a.m. on Thursday, March 26, when we will receive testimony from public witnesses.

[Whereupon, at 11:35 a.m., Wednesday, March 25, the subcommittee was recessed, to reconvene at 9 a.m., Thursday, March 26.]

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